

May 17, 2011

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Township High School District Number 215, Cook County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation Limited School Bonds, Series 2011 (the “*Bonds*”), to the amount of \$6,975,000, dated May 17, 2011, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2013	\$ 25,000	3.000%
2014	330,000	3.000%
2015	340,000	3.250%
2016	350,000	3.500%
2017	365,000	4.000%
2018	380,000	4.250%
2019	395,000	4.500%
2020	415,000	4.750%
2021	435,000	4.300%
2022	450,000	5.000%
2023	475,000	4.625%
2024	495,000	4.750%
2025	520,000	4.875%
2026	545,000	5.000%
2027	570,000	5.100%
2028	600,000	5.125%
2029	285,000	5.250%

the Bonds due on or after December 1, 2021, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2020, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally

Chapman and Cutler LLP

Attorneys at Law · Focused on Finance

available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Law"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law), as more fully described in said proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Chapman and Cutler LLP

EPBartholomy/SAScinto:ddn

May 17, 2011

Township High School District Number 215
1601 Wentworth Avenue
Calumet City, Illinois 60409

Re: Township High School District Number 215,
Cook County, Illinois
\$6,975,000 General Obligation Limited School Bonds, Series 2011

Ladies and Gentlemen:

We have acted as disclosure counsel to Township High School District Number 215, Cook County, Illinois (the "*District*") in connection with the issuance of \$6,975,000 General Obligation Limited School Bonds, Series 2011 (the "*Bonds*"), issued on this date by the District. The Bonds are being issued pursuant to the terms of a Bond Resolution of the Board of Education of the District adopted on the 26th day of April, 2011, as supplemented by a notification of sale (together, the "*Bond Resolution*").

Capitalized terms used herein without definition shall have the meanings specified in the Official Statement dated April 28, 2011, relating to the Bonds (the "*Official Statement*").

Based upon our examination of such documents and questions of law as we have deemed relevant in connection with the offering and sale of the Bonds under the circumstances described in the Official Statement, we are of the opinion that, under existing law, the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Bond Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

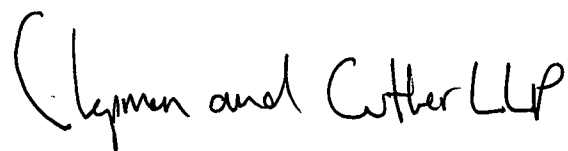
In further accordance with our understanding with the District, we express no opinion or belief in our role as disclosure counsel with respect to the validity of the Bonds or the taxation thereof or of the interest thereon.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

This opinion is solely for the benefit of the District. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

LEWhite/KMFloros

A handwritten signature in black ink that reads "Chapman and Cutler LLP". The signature is written in a cursive, flowing style.

May 17, 2011

Township High School District Number 215
1601 Wentworth Avenue
Calumet City, Illinois 60409

Re: Township High School District Number 215,
Cook County, Illinois
\$6,975,000 General Obligation Limited School Bonds, Series 2011

Ladies and Gentlemen:

We have acted as disclosure counsel to Township High School District Number 215, Cook County, Illinois (the "*District*"), in connection with the issuance on this date of its \$6,975,000 General Obligation Limited School Bonds, Series 2011 (the "*Bonds*").

In that connection, we have reviewed a printed copy of the official statement of the District with respect to the Bonds, dated April 28, 2011 (the "*Official Statement*"), certificates of the District, and others, the opinions of Chapman and Cutler LLP, bond counsel ("*Bond Counsel*"), and such other records, opinions and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the conclusion hereinafter expressed. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Official Statement.

In arriving at the conclusion hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein, including, without limitation, any representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Bonds, the tax treatment of interest on the Bonds for federal income tax purposes, and the application of Bond proceeds in accordance with the authorization therefor). We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

We are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as disclosure counsel to you, to assist you in discharging your responsibility with respect to the Official Statement, we participated in conferences with

representatives of the District and representatives of the Underwriter and other persons involved in the preparation of information for the Official Statement, during which the contents of the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein. Moreover, many of the determinations required to be made in the preparation of the Official Statement involve matters of a non-legal nature. Based on our participation in the above-mentioned conferences, and in reliance thereon and on the records, documents, certificates, opinions and matters mentioned above, we advise you as a matter of fact and not opinion that, during the course of our role as disclosure counsel with respect to the Bonds, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such role which caused us to believe that the Official Statement (apart from (i) CUSIP numbers, (ii) the information relating to The Depository Trust Company and its book-entry only system, (iii) the financial statements or other financial, operating, statistical or accounting data contained or incorporated therein, and (iv) the information describing the opinion of Bond Counsel in "TAX EXEMPTION" and the form of opinion of Bond Counsel in Appendix A, as to all of which we do not express any opinion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or statement rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.

By acceptance of this letter you recognize and acknowledge that: (i) the preceding paragraph is not an opinion but in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as disclosure counsel; (ii) the scope of those activities performed by us for purposes of delivering this letter were inherently limited and do not purport to encompass all activities necessary for compliance with applicable securities laws; and (iii) those activities performed by us rely on third party representations, warranties, certifications and opinions, including and primarily, representations, warranties and certifications made by the District, and are otherwise subject to the conditions set forth herein.

In further accordance with our understanding with you, we express no opinion or belief herein with respect to the validity of the Bonds or the taxation thereof or of the interest thereon, and our expression of belief with respect to the Official Statement assumes the validity of the Bonds and the exclusion of the interest payable thereon from gross income for federal income tax purposes, all as set forth in the opinion of Bond Counsel.

This letter is furnished to you by us as special counsel to the District. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

LEWhite/KMFloros

A handwritten signature in black ink that reads "Chapman and Cutler LLP". The signature is written in a cursive, flowing style.

May 17, 2011

BMO Capital Markets GKST Inc.
115 South LaSalle Street, 36th Floor
Chicago, Illinois 60603

Re: Township High School District Number 215
Cook County, Illinois
\$6,975,000 General Obligation Limited School Bonds, Series 2011

Ladies and Gentlemen:

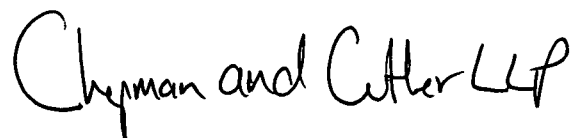
We are enclosing our letter to Township High School District Number 215, Cook County, Illinois (the "*District*"), dated the date hereof, as disclosure counsel to the District (our "*Client*"), regarding the above-referenced Bonds (the "*Letter*").

You are entitled to rely upon the Letter as though the Letter were addressed to you subject to the following matters, which by your acceptance of this letter and our accompanying Letter you recognize and acknowledge: (1) that we have not been engaged to act, and have not acted, as your counsel for any purpose in connection with the issuance of the Bonds; (2) that no attorney-client relationship exists or has at any time existed between us by virtue of this letter; and (3) that the Letter is based upon our review of proceedings and other documents undertaken as part of our engagement with our Client, and in order to deliver this letter we neither undertook any duties or responsibilities to you nor conducted any activities in addition to those undertaken or conducted for the benefit of, and requested by, our Client. Consequently, we make no representation that our review has been adequate for your purposes.

This letter is not being delivered for the benefit of, nor may it be relied upon by, any other party to whom it is not specifically addressed.

Respectfully submitted,

LEWhite/KMFloros



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

ORGANIZATION CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary, respectively, of the Board of Education (the "Board") of Township High School District Number 215, Cook County, Illinois (the "District"), and as such officials we do further certify as follows:

1. That the District was organized in the year 1924, has continuously since its organization operated under the general laws of the State of Illinois providing for the establishment, operation and maintenance of public schools, is now operating under the provisions of the School Code of the State of Illinois, as amended (105 ILCS 5/1-1 *et seq.*), and is not now operating under the provisions of any special Act or charter.
2. That the present duly qualified and acting officials of the District are as follows:

Richard Dust, President, Board of Education

Charles Maricich, Vice-President, Board of Education

Robin Beymer, Member, Board of Education

Don Swibes, Member, Board of Education

James Gigliotti, Member, Board of Education

Roger Yochem, Member, Board of Education

LeeAnn Revis, Member, Board of Education

LeeAnn Revis, Secretary, Board of Education

Thomas Stefaniak, Thornton-Fractional Township School Treasurer

and that said members of the Board have been the duly qualified and acting Board since April, 2000, and provided there are no vacancies created by resignation or otherwise, will constitute the Board until the election for members of the Board to be held on April 5, 2011, is canvassed and a new Board duly constituted.

3. That there have been no changes in the boundaries of the District since June 23, 2009.
4. That the only cities, villages or incorporated towns located wholly or partly within the District are as follows: Burnham, Calumet City, Lansing and Lynwood, and that none of said cities, villages or incorporated towns have adopted and are now operating under the provisions of Articles 6, 14 and 18 of the Election Code of the State of Illinois, as amended (10 ILCS 5/6, 5/14 and 5/18), said articles being known as the City Election Law.
5. That The County of Cook, Illinois, is the only county within which the District is wholly or partly located, and that said county has not adopted and is not now operating under the provisions of Article 6A of the Election Code of the State of Illinois, as amended (10 ILCS 5/6A), said article providing for a county board of election commissioners.
6. That the only townships located wholly or partly within the District are as follows: Thornton-Fractional, that the duly qualified and acting Thornton-Fractional, Township School Treasurer of Township No. 36, Range No. 15, Cook County, Illinois, receives the taxes of the District and is the lawful custodian of all school funds of the District, and that all or a greater part of the District is located within said Township and Range.
7. That since the year 1989, all of the District has been located in a county of 3,000,000 or more inhabitants.
8. That the *SouthtownStar* is a local, community newspaper with a general circulation in the District.
9. That all of the news media that have filed a request for notice of the meetings of the Board pursuant to the Open Meetings Act of the State of Illinois, as amended (5 ILCS 120/1 *et seq.*), are as follows: Hammond Times

(If no requests have been made, please
so indicate with the word "none".)


10. That the regular meetings of the Board are held on the fourth Tuesday of each month at 7:00 o'clock P.M., at 1601 Wentworth, Calumet City, Illinois, within the District, that the Board has given public notice of said schedule of regular meetings stating the regular dates, times and places of said meetings at the beginning of each calendar or fiscal year by posting a copy of said public notice at the principal office of the Board and by supplying copies of said public notice to all of the newspapers, radio or television stations and other news media that have filed a request for such notice, and that the Board has made said schedule available to the public.

11. That the District is now maintaining and operating a school system composed of grades 9 to 12, inclusive, such school system meeting and complying in all respects with all of the standards established for recognition by the State Board of Education of the State of Illinois.
12. That the District does not have an official corporate seal.
13. That the District has an estimated population of 60,749, and that there are approximately 34,248 legal voters in the District.
14. That no petition has been filed or is now pending affecting in any manner whatsoever the boundaries or the corporate existence of the District.
15. That there is no litigation or controversy pending or threatened and there are no tax objections pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the District, the boundaries thereof, the right of the District to levy taxes for school purposes or the title of any of its present officials to their respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 28th day of April, 2011.



President, Board of Education



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

MEMBERSHIP CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary, respectively, of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "District"), and as such officials we do further certify that from and after the canvass of the April 5, 2011 election for members of the Board and the reorganization of the Board on 5/3, 2011, as a result of said election, the duly qualified and acting officials of the District have been as follows:

- Richard Dust, President, Board of Education
- LeeAnn Revis, Vice-President, Board of Education
- Michael Bolz, Member, Board of Education
- Rita Oberman, Member, Board of Education
- LeeAnn Revis, Member, Board of Education
- Donald Swibes, Member, Board of Education
- Roger Yochem, Member, Board of Education
- Sheryl Black, Secretary, Board of Education

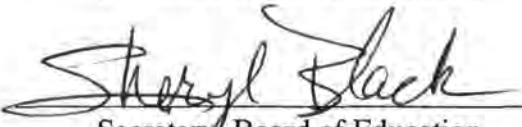
Thomas Stefaniak, Thornton-Fractional Township School Treasurer and provided there are no vacancies created by resignation or otherwise, said members of the Board will constitute the Board until the election for members of the Board to be held on April 9, 2013, is canvassed and a new Board duly constituted.

We do further certify that there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the right of any of said officials to their respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 17th day of May,
2011.



President, Board of Education



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

INDEBTEDNESS CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "District"), and School Treasurer of the District, respectively, and as such officials we do further certify that the total aggregate indebtedness of the District, of every kind and nature and howsoever evidenced or incurred, excluding the proposed \$6,975,000 General Obligation Limited School Bonds, Series 2011, does not exceed the total sum of \$ 15,119,954, which said indebtedness is itemized as follows:

Bonds issued by the District (not including alternate bonds) \$ 14,795,000

Alternate bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended \$ _____

Contracts (including all payments on installment purchase contracts, debt certificates and public utility contracts)..... \$ _____

Indebtedness resulting from annexations of territory \$ _____

Judgments \$ _____

Leases (including leases with the School Building Commission and public building commissions) \$ 324,954

Miscellaneous floating indebtedness \$ _____

Special assessments levied against District property \$ _____

Other forms of debt (not including warrants issued in anticipation of the collection of taxes levied) \$ _____

all of which appears from the books and records in our respective care and custody.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 28th day of April, 2011.


Secretary, Board of Education


School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

2010 NON-AVAILABILITY CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the "County"), and as such official I do further certify that the equalized assessed value of all taxable real property located in the County included within the boundaries of Township High School District Number 215, Cook County, Illinois, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2010, is not now available and will not be available until at least on or after August 1, 2011.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 13th day of August, 2011.



County Clerk of The County of Cook, Illinois

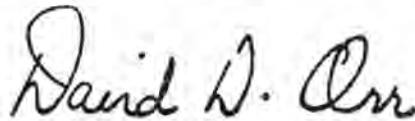
(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

2009 VALUATION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the "County"), and as such official I do further certify that the equalized assessed value of all taxable real property located in the County included within the boundaries of Township High School District Number 215, Cook County, Illinois, as of the date of this certificate, is the sum of \$ 1,047,082,639 as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2009, all as appears from the books of assessment of the County now in my possession.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 13th day of May, 2011.



County Clerk of The County of Cook, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

WORKING CASH FUND CERTIFICATE

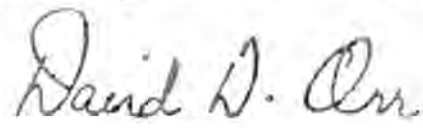
I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the "County"), and as such official I do further certify as follows:

1. That pursuant to Section 20-3 of the School Code of the State of Illinois, as amended, a tax for working cash fund purposes for Township High School District Number 215, Cook County, Illinois (the "District"), was extended in the County for the years 2007 to 2009, inclusive, and in the amounts as follows:

YEAR	AMOUNT
2007	\$ 325,154.02
2008	339,400.51
2009	329,254.78

2. That the District is authorized to levy a tax annually for educational purposes at the maximum rate of 3.50% upon all the taxable property of the District at the value, as equalized or assessed by the Department of Revenue of the State of Illinois.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 13th day of May, 2011.



County Clerk of The County of Cook,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

WORKING CASH FUND CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary of the Board of Education (the "Board") of Township High School District Number 215, Cook County, Illinois (the "District"), and School Treasurer of the District, respectively, and as such officials we do further certify as follows:

1. That the District presently maintains a Working Cash Fund in and for the District (the "Fund") in the manner prescribed in Article 20 of the School Code of the State of Illinois, as amended, for the purpose of enabling the District to have in its treasury at all time sufficient money to meet demands thereon for expenditures for corporate purposes, and that the amount now to the credit of the Fund is \$2,342,894.12 including the amount of any cash on hand in the Fund and the amount of any transfers from the Fund to any other funds of the District.

2. The amount of taxes heretofore levied by the District for the year 2010 for working cash fund purposes and not yet collected and deposited in the Fund is \$342,000.

3. That the District has not abolished or abated any working cash fund in any manner whatsoever at any time ~~after the 30th day of June, 20~~ within the last five (5) years.

4. That the District has bonds issued for working cash fund purposes presently outstanding and unpaid, of which \$1,690,00 of the Limited Tax School Bonds, Series 2006, are presently outstanding.

5. That on the 22nd day of March, 2011, the Board adopted a resolution (the "Resolution") declaring the intention to issue \$9,500,000 Working Cash Fund Bonds of the District (the "Bonds").

6. That notice of intention to issue the Bonds was published on the 23rd day of March, 2011, in the *SouthtownStar*, the same being a newspaper of general circulation in the District (the "Notice"), and was not posted electronically on the District's World Wide Web pages.

7. That no petition has ever been filed in the office of the Secretary of the Board (the "Secretary") or has ever been presented to the Secretary requesting that the proposition to issue the Bonds be submitted to the voters of the District, but that the Secretary provided a petition form regarding the same to every individual requesting one.

8. That except for the Resolution and the Notice, no resolution has been adopted by the Board declaring the intention to issue working cash fund bonds and no notice of intention to issue working cash fund bonds of the District has been published during the last twelve months.

9. That at the time of publication of the Notice, 10% of the number of voters registered in the District on the date registration closed before the regular election next preceding the day on which a petition could have been filed objecting to the issuance of the Bonds was equal to 3,424 voters.

10. That attached hereto as *Exhibit 1* is a true, correct and complete copy of the last known entitlement of the District to taxes as by law now imposed by the General Assembly of the State of Illinois to replace revenue lost by units of local government and school districts as a result of the abolition of ad valorem personal property taxes, pursuant to Article IX, Section 5(c) of the Constitution of the State of Illinois, as set forth on the website of the Illinois Department of Revenue.

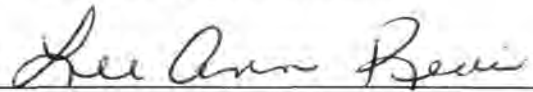
11. That the District is authorized to levy a tax annually for educational purposes at the maximum rate of 3.50% upon all the taxable property of the District at the value, as equalized or assessed by the Department of Revenue of the State of Illinois.

12. That there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the right of the District to levy taxes for educational purposes at said maximum annual rate, to levy taxes for working cash fund purposes, to maintain the Fund, to increase the Fund or to issue the Bonds.

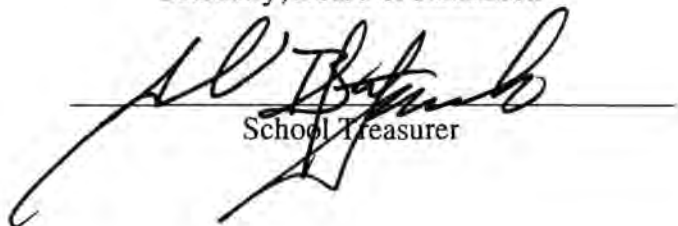
IN WITNESS WHEREOF, we hereunto affix our official signatures, this 28th day of April, 2011.



President, Board of Education



Secretary, Board of Education



School Treasurer

PERSONAL PROPERTY REPLACEMENT TAX (PPRT)

STATE FISCAL YEARS BEGIN JULY 1 AND END JUNE 30 OF EACH YEAR

DISTRICT NAME	DISTRICT NUMBER	2011	2010	VENDOR NUMBER
		FISCAL YEAR ESTIMATE	FISCAL YEAR PAYMENT TOTALS	
TOWNSHIP HIGH SCHOOL DIST 214	0167172140	\$7,299,408	\$6,008,808.04	
THORNTON TWP FRACTIONAL HS 215	0167172150	\$1,055,959	\$869,256.45	001672150
NILES TWP HS 219	0167172190	\$4,744,491	\$3,905,622.57	001672190
REAVIS TWP HS 220	0167172200	\$3,316,748	\$2,730,317.11	001672200
GLENBROOK TWP HS 225	0167172250	\$2,570,720	\$2,116,193.62	001672250
RICH TWP HS 227	0167172270	\$1,408,532	\$1,159,490.91	001672270
CHICAGO BOARD OF EDUC SD 299	0167252990	\$193,255,269	\$159,086,017.07	001672990
ELMWOOD PARK CUSD 401	0167264010	\$321,477	\$264,637.08	001674010
BLOOM TWP ROAD & BRIDGE	0169020011	\$111,327	\$91,643.26	001690011
BREMEN TWP ROAD & BRIDGE	0169020012	\$23,486	\$19,333.28	001690012
CALUMET TWP ROAD & BRIDGE	0169020013	\$8,306	\$6,837.35	001690013
ELK GROVE TWP ROAD & BRIDGE	0169020015	\$90,833	\$74,772.55	001690015
HANOVER TWP ROAD & BRIDGE	0169020017	\$39,924	\$32,865.40	001690017
LEMONT TWP ROAD & BRIDGE	0169020018	\$20,258	\$16,675.91	001690018
LEYDEN TWP ROAD & BRIDGE	0169020019	\$221,684	\$182,488.54	001690019
LYONS TWP ROAD & BRIDGE	0169020020	\$72,703	\$59,848.67	001690020
MAINE TWP ROAD & BRIDGE	0169020021	\$78,576	\$64,683.46	001690021
NORTHFIELD TWP ROAD & BRIDGE	0169020024	\$87,137	\$71,730.28	001690024
NORWOOD PARK TWP ROAD & BRIDGE	0169020025	\$10,827	\$8,912.67	001690025
ORLAND TWP ROAD & BRIDGE	0169020027	\$19,367	\$15,942.47	001690027
PALATINE TWP ROAD & BRIDGE	0169020028	\$97,483	\$80,247.48	001690028
PALOS TWP ROAD & BRIDGE	0169020029	\$17,605	\$14,492.62	001690029
PROVISO TWP ROAD & BRIDGE	0169020030	\$18,918	\$15,572.82	001690030
RICH TWP ROAD & BRIDGE	0169020031	\$32,358	\$26,636.50	001690031
SCHAUMBURG TWP ROAD & BRIDGE	0169020034	\$21,524	\$17,717.97	001690034
STICKNEY TWP ROAD & BRIDGE	0169020035	\$1,181,374	\$972,496.74	001690035
THORNTON TWP ROAD & BRIDGE	0169020036	\$38,016	\$31,294.09	001690036
WHEELING TWP ROAD & BRIDGE	0169020037	\$70,217	\$57,802.10	001690037
WORTH TWP ROAD & BRIDGE	0169020038	\$90,076	\$74,149.43	001690038
CRAWFORD COUNTY	0171010017	\$316,905	\$260,873.29	001710017
FLAT ROCK VILLAGE	0172400030	\$420	\$346.03	001720030
HUTSONVILLE VILLAGE	0172400038	\$1,032	\$849.70	001720038
OBLONG VILLAGE	0172400059	\$4,133	\$3,402.10	001720059
PALESTINE TOWN	0172400063	\$4,806	\$3,956.30	001720063
ROBINSON CITY	0172400072	\$82,471	\$67,889.36	001720072
STOY VILLAGE	0172400082	\$451	\$371.30	001720082
HONEY CREEK TOWNSHIP	0173020037	\$7,787	\$6,410.39	001730037
HUTSONVILLE TOWNSHIP	0173020039	\$56,876	\$46,819.83	001730039
LA MOTTE TOWNSHIP	0173020042	\$8,787	\$7,233.18	001730042
LICKING TOWNSHIP	0173020044	\$1,240	\$1,020.52	001730044
MARTIN TOWNSHIP	0173020048	\$1,423	\$1,171.02	001730048
MONTGOMERY TOWNSHIP	0173020054	\$2,427	\$1,998.20	001730054
OBLONG TOWNSHIP	0173020059	\$10,053	\$8,275.67	001730059
PRAIRIE TOWNSHIP	0173020068	\$2,406	\$1,980.62	001730068
ROBINSON TOWNSHIP	0173020072	\$118,756	\$97,759.10	001730072
SOUTHWEST TOWNSHIP	0173020079	\$101	\$82.94	001730079
HUTSONVILLE TWP PK DIST	0175080141	\$11,558	\$9,514.24	001750141
LA MOTTE PK DIST	0175080159	\$3,179	\$2,617.21	001750159

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held in the Community Meeting Room of the Thornton Fractional Center, 1605 Wentworth Avenue, Calumet City, Illinois, in said School District at 7:00 o'clock P.M., on the 22nd day of March, 2011.

* * *

The President called the meeting to order and directed the Secretary to call the roll.

Upon the roll being called, Richard Dust, the President, and the following members were physically present at said location: Beymer, Maricich, Revis, Swibes, Yochem, Dust

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: _____

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: Gigliotti

The President announced that in view of the current financial condition of the District, the Board of Education would consider the adoption of a resolution declaring its intention to issue working cash fund bonds pursuant to Article 20 of the School Code and directing that notice of such intention be published.

Whereupon Member Revis presented and the Secretary read by title a resolution as follows, a copy of which was provided to each member of the Board of Education prior to said meeting and to everyone in attendance at said meeting who requested a copy:

RESOLUTION declaring the intention to avail of the provisions of Article 20 of the School Code of the State of Illinois, as amended, and to issue Working Cash Fund Bonds of Township High School District Number 215, Cook County, Illinois, and directing that notice of such intention be published in the manner provided by law.

* * *

WHEREAS, pursuant to the provisions of Article 20 of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto (the "*Code*"), a fund to be known as a Working Cash Fund (the "*Fund*") may be created and maintained in and for Township High School District Number 215, Cook County, Illinois (the "*District*"), in the manner prescribed in the Code, for the purpose of enabling the District to have in its treasury at all time sufficient money to meet demands thereon for expenditures for corporate purposes; and

WHEREAS, the District has heretofore created and maintained such Fund in the manner prescribed by the Code; and

WHEREAS, under the provisions of the Code, the Board of Education of the District (the "*Board*") is authorized to incur an indebtedness and issue bonds as evidence thereof (the "*Bonds*") for the purpose of increasing the Fund; and

WHEREAS, the Board has determined and does hereby determine that it is advisable, necessary and in the best interests of the District that the Fund be increased and that the District incur an indebtedness and issue Bonds as evidence thereof in the amount of \$9,500,000 for said purpose; and

WHEREAS, before such Bonds may be issued for said purpose, the Board must adopt a resolution declaring its intention to issue such Bonds for said purpose and direct that notice of such intention be published as provided by law:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Township High School District Number 215, Cook County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

Section 2. Declaration of Intent. The Board hereby declares its intention to avail of the provisions of the Code, and to issue Bonds in the amount of \$9,500,000 for the purpose of increasing the Fund and enabling the District to have in its treasury at all time sufficient money to meet demands thereon for expenditures for corporate purposes.

Section 3. Notice of Intent. In accordance with the provisions of Section 5 of the Local Government Debt Reform Act of the State of Illinois, as amended, notice of said intention to avail of the provisions of Article 20 of the Code and to issue Bonds for the purpose of increasing the Fund shall be given by publication of such notice at least once in the *SouthtownStar*, the same being a newspaper of general circulation in the District.

Section 4. Form of Notice. The notice of intention to issue the Bonds shall be in substantially the following form:

**NOTICE OF INTENTION OF
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
TO ISSUE \$9,500,000
WORKING CASH FUND BONDS**

PUBLIC NOTICE is hereby given that on the 22nd day of March, 2011, the Board of Education (the "*Board*") of Township High School District Number 215, Cook County, Illinois (the "*District*"), adopted a resolution declaring its intention and determination to issue bonds in the aggregate amount of \$9,500,000 for the purpose of increasing the Working Cash Fund of the District, and it is the intention of the Board to avail of the provisions of Article 20 of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and to issue said bonds for the purpose of increasing said Working Cash Fund. Said Working Cash Fund is to be maintained in accordance with the provisions of said Article and shall be used for the purpose of enabling the District to have in its treasury at all time sufficient money to meet demands thereon for expenditures for corporate purposes.

A petition may be filed with the Secretary of the Board (the "*Secretary*") within thirty (30) days after the date of publication of this notice, signed by not less than 3,424 voters of the District, said number of voters being equal to ten per cent (10%) of the registered voters of the District, requesting that the proposition to issue said bonds as authorized by the provisions of said Article 20 be submitted to the voters of the District. If such petition is filed with the Secretary within thirty (30) days after the date of publication of this notice, an election on the proposition to issue said bonds shall be held on the 20th day of March, 2012. The Circuit Court may declare that an emergency referendum should be held prior to said election date pursuant to the provisions of Section 2A-1.4 of the Election Code of the State of Illinois, as amended. If no such petition is filed within said thirty (30) day period, then the District shall thereafter be authorized to issue said bonds for the purpose hereinabove provided.

By order of the Board of Education of Township High School District Number 215, Cook County, Illinois.

DATED this 22nd day of March, 2011.

LeeAnn Revis
Secretary, Board of Education,
Township High School District Number 215,
Cook County, Illinois

Richard Dust
President, Board of Education,
Township High School District
Number 215, Cook County, Illinois

Note to Publisher: Please be certain that this notice appears over the names of the President and Secretary of the Board.

Section 5. Further Proceedings. If no petition signed by the requisite number of voters is filed with the Secretary of the Board within thirty (30) days after the date of the publication of such notice of intention to issue the Bonds, the Board shall, by appropriate proceedings to be hereafter taken, fix the details concerning the issue of the Bonds and provide for the levy of a direct annual tax to pay the principal and interest on the same.

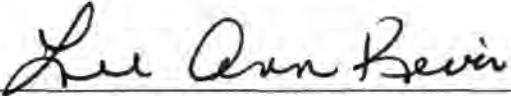
Section 6. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Repealer and Effective Date. All resolutions and parts of resolutions in conflict herewith be and the same are hereby repealed and that this Resolution be in full force and effect forthwith upon its adoption.

Adopted March 22, 2011.



President, Board of Education



Secretary, Board of Education

Member Revis moved and Member Beymer
seconded the motion that said resolution as presented and read by title be adopted.

After a full and complete discussion thereof, the President directed the Secretary to call the roll for a vote upon the motion to adopt said resolution.


Upon the roll being called, the following members voted AYE: Beymer, Maricich
Revis, Swibes, Yochem, Dust

The following members voted NAY: NONE

Whereupon the President declared the motion carried and said resolution adopted, and in open meeting approved and signed said resolution and directed the Secretary to record the same in full in the records of the Board of Education of Township High School District Number 215, Cook County, Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at said meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "Board"), and that as such official I am the keeper of the records and files of the Board.


I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 22nd day of March, 2011, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION declaring the intention to avail of the provisions of Article 20 of the School Code of the State of Illinois, as amended, and to issue Working Cash Fund Bonds of Township High School District Number 215, Cook County, Illinois, and directing that notice of such intention be published in the manner provided by law.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 96 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 22nd day of March, 2011.


Secretary, Board of Education

Board of Education Agenda
 Thornton Fractional Township H.S. District 215
 Regular Meeting

Tuesday, March 22, 2011
Following 7:00 p.m. Bond Hearing
T.F. Center

1605 Wentworth Avenue – Calumet City, IL

6:30 p.m. Building & Grounds and Finance Committee Mtg.

7:00 p.m. Bond Hearing: Intent of the Board of Education of the District to sell bonds in the amount not to exceed \$9,500,000 for the purpose of increasing the working cash fund of the District.

	I	Call To Order – Pledge of Allegiance	
	II	Roll Call	
	III.	Communications	
		A. Board	
		1. Freedom of Information Report	
		2. Community Public Comment	
		3. Staff Updates	
		4. Principal Updates	
		5. District Updates	
		a. Academic Update – Mr. Fies: Targets Goals	
		B. Committee Reports	
		1. Curriculum	
		2. Building & Grounds	
		3. Finance	
	IV.	Future Meetings	
		A. Special Mtg. – Bid Acceptance – Tuesday April 12, 2011 @ 7 p.m.	
		B. Regular Meeting: April 26, 2011 Center {Election Canvass / Reorganization Tentative}	
		C. May 17, 2011 – Move Regular monthly meeting	
A. Action	V.	Approval of Minutes – Open & Closed (Consent Agenda)	
		A. Regular Meeting: 2.22.11	
		B. Curriculum Committee: 3.14.11	
		C. Building & Grounds and Finance: 2.22.11	

A. Action	VI.	<p>Old Business</p> <p>A. 2011-12 Proposed Calendar – 2nd Reading</p>	Exhibit 1
<p>A. Action</p> <p>B. Action</p> <p>C. Action</p> <p>D. Action</p> <p>E. Action</p>	VII.	<p>New Business</p> <p>A. Adopt Resolution for Work Cash Bond Resolution</p> <p>B. Waive 2nd Reading Revisions: Policy 6110: Acceptable Use for Technology Policy Policy 5134 – Medication Policy Policy 8250 – Conflict of Interest</p> <p>C. 2010 Audit</p> <p>D. Technology Integration Plan 2011</p> <p>E. 2011 Summer School</p>	<p>Exhibit 2</p> <p>Exhibit 3</p> <p>Exhibit 4</p> <p>Enclosed</p> <p>Exhibit 5</p>
	VIII.	<p>Closed Session</p> <p>A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees</p> <p>B. Pending Litigation</p>	
<p>A. Action</p> <p>B. Action</p>	IX.	<p>Superintendent's Report</p> <p>A. Financial Report</p> <p>B. Personnel Report (Consent Agenda)</p>	<p>Exhibit 6</p> <p>Exhibit 7</p>
	X.	<p>Other Matters</p>	
	XI.	<p>Adjourn</p>	

SCHOOL DISTRICT 215
working bonds

ADORDERNUMBER: 0000054389-01

PO NUMBER: working bonds

AMOUNT: \$0.00

NO OF AFFIDAVITS: 1

**NOTICE OF INTENTION OF
TOWNSHIP HIGH SCHOOL
DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
TO ISSUE \$9,500,000
WORKING CASH FUND
BONDS**

PUBLIC NOTICE is hereby given that on the 22nd day of March, 2011, the Board of Education (the "Board") of Township High School District Number 215, Cook County, Illinois (the "District"), adopted a resolution declaring its intention and determination to issue bonds in the aggregate amount of \$9,500,000 for the purpose of increasing the Working Cash Fund of the District, and it is the intention of the Board to avail of the provisions of Article 20 of the School Code of the State of Illinois, and all laws amendatory thereto and supplementary thereto, and to issue said bonds for the purpose of increasing said Working Cash Fund. Said Working Cash Fund is to be maintained in accordance with the provisions of said Article and shall be used for the purpose of enabling the District to have in its treasury at all time sufficient money to meet demands thereon for expenditures for corporate purposes.

A petition may be filed with the Secretary of the Board (the "Secretary") within thirty (30) days after the date of publication of this notice, signed by not less than 3,424 voters of the District, said number of voters being equal to ten per cent (10%) of the registered voters of the District, requesting that the proposition to issue said bonds as authorized by the provisions of said Article 20 be submitted to the voters of the District. If such petition is filed with the Secretary within thirty (30) days after the date of publication of this notice, an election on the proposition to issue said bonds shall be held on the 20th day of March, 2012. The Circuit Court may declare that an emergency referendum should be held prior to said election date pursuant to the provisions of Section 2A 1.4 of the Election Code of the State of Illinois, as amended. If no such petition is filed within said thirty (30) day period, then the District shall thereafter be authorized to issue said bonds for the purpose hereinabove provided.

By order of the Board of Education of Township High School District Number 215, Cook County, Illinois.

DATED this 22nd day of March, 2011.

LeeAnn Revis
Secretary, Board of Education,
Township High School District
Number 215,
Cook County, Illinois
Richard Dust
President, Board of Education,
Township High School District
Number 215,
Cook County, Illinois
54389 3/25/2010

Sun Times Media

Sun-Times Media South

Certificate of Publication

State of Illinois - County of Cook, Will

Sun-Times Media South, does hereby certify it has published the attached advertisements in the following secular newspapers. All newspapers meet Illinois Compiled Statute requirements for publication of Notices per Chapter 715 ILCS 5/0.01 et seq. R.S. 1874, P728 Sec 1, EFF. July 1, 1874. Amended by Laws 1959, P1494, EFF. July 17, 1959. Formerly Ill. Rev. Stat. 1991, CH100, PI.
Note: Notice appeared in the following checked positions.

PUBLICATION DATE(S): 03/25/2011

SouthtownStar

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed and notarized

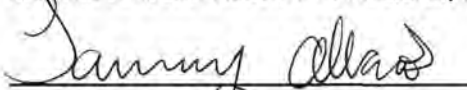
By



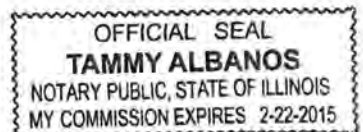
John G. Bieschke

Account Manager - Public Legal Notices

Subscribed and sworn to before me this 25th Day of March 2011 A.D.


Notary Public

SCHOOL DISTRICT 215
1601 WENTWORTH AVE
CALUMET CITY, IL 60409-6309



ORDER calling a public hearing concerning the intent of the Board of Education of Township High School District Number 215, Cook County, Illinois, to sell \$9,500,000 Working Cash Fund Bonds.

* * *

WHEREAS, Township High School District Number 215, Cook County, Illinois (the "*District*"), is a duly organized and existing school district created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto, including the Local Government Debt Reform Act of the State of Illinois, as amended; and

WHEREAS, the Board of Education of the District (the "*Board*") intends to sell bonds in the amount of \$9,500,000 for the purpose of increasing the working cash fund of the District (the "*Bonds*"); and

WHEREAS, the Bond Issue Notification Act of the State of Illinois, as amended, requires the Board to hold a public hearing concerning the Board's intent to sell the Bonds before adopting a resolution providing for the sale of the Bonds:

NOW, THEREFORE, Be It and It Is Hereby Ordered by the undersigned President of the Board of Education of Township High School District Number 215, Cook County, Illinois, as follows:

1. I hereby call a public hearing to be held at 7:00 o'clock P.M. on the 22nd day of March, 2011, in the Community Meeting Room of the Thornton Fractional Center, 1605 Wentworth Avenue, Calumet City, Illinois, in the District, concerning the Board's intent to sell the Bonds and to receive public comments regarding the proposal to sell the Bonds (the "*Hearing*").

2. I hereby direct that the Secretary of the Board (the "*Secretary*") shall (i) publish notice of the Hearing at least once in the *SouthtownStar*, the same being a newspaper of general circulation in the District, not less than 7 nor more than 30 days before the date of the Hearing and (ii) post at least 48 hours before the Hearing a copy of said notice at the principal office of the Board.

3. Notice of the Hearing shall appear above the name of the Secretary and shall be in substantially the following form:

**NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF
THE BOARD OF EDUCATION OF
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215,
COOK COUNTY, ILLINOIS
TO SELL \$9,500,000 WORKING CASH FUND BONDS**

PUBLIC NOTICE IS HEREBY GIVEN that Township High School District Number 215, Cook County, Illinois (the "*District*"), will hold a public hearing on the 22nd day of March, 2011, at 7:00 o'clock P.M. The hearing will be held in the Community Meeting Room of the Thornton Fractional Center, 1605 Wentworth Avenue, Calumet City, Illinois. The purpose of the hearing will be to receive public comments on the proposal to sell bonds of the District in the amount of \$9,500,000 for the purpose of increasing the working cash fund of the District.

By order of the President of the Board of Education of Township High School District Number 215, Cook County, Illinois.

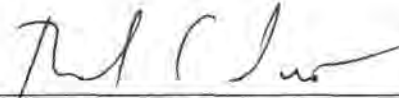
DATED the 4th day of March, 2011.

LeeAnn Revis
Secretary, Board of Education,
Township High School District Number 215,
Cook County, Illinois

Note to Publisher: Please be certain that this notice appears above the name of the Secretary of the Board.

4. At the Hearing, the Board shall explain the reasons for the proposed bond issue and permit persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits. The Board shall not adopt a resolution selling the Bonds for a period of seven (7) days after the final adjournment of the Hearing.

Ordered this 4th day of March, 2011.



President, Board of Education,
Township High School District
Number 215, Cook County, Illinois

SCHOOL DISTRICT 215
3/22 bonds

ADORDERNUMBER: 0000047435-01

PO NUMBER: 3/22 bonds

AMOUNT: \$56.94

NO OF AFFIDAVITS: 1

Public Hearings

NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF THE BOARD OF EDUCATION OF TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215, COOK COUNTY, ILLINOIS TO SELL \$9,500,000 WORKING CASH FUND BONDS
PUBLIC NOTICE IS HEREBY GIVEN that Township High School District Number 215, Cook County, Illinois (the "District"), will hold a public hearing on the 22nd day of March, 2011, at 7:00 o'clock P.M. The hearing will be held in the Community Meeting Room of the Thornton Fractional Center, 1605 Wentworth Avenue, Calumet City, Illinois. The purpose of the hearing will be to receive public comments on the proposal to sell bonds of the District in the amount of \$9,500,000 for the purpose of increasing the working cash fund of the District.
By order of the President of the Board of Education of Township High School District Number 215, Cook County, Illinois,
DATED the 4th day of March, 2011.
LeeAnn Revis
Secretary, Board of Education,
Township High School District
Number 215,
Cook County, Illinois
47435 3/14/2011

Sun Times Media Sun-Times Media South Certificate of Publication

State of Illinois - County of Cook, Will

Sun-Times Media South, does hereby certify it has published the attached advertisements in the following secular newspapers. All newspapers meet Illinois Compiled Statute requirements for publication of Notices per Chapter 715 ILCS 5/0.01 et seq. R.S. 1874, P728 Sec 1, EFF. July 1, 1874. Amended by Laws 1959, P1494, EFF. July 17, 1959. Formerly Ill. Rev. Stat. 1991, CH100, Pl.
Note: Notice appeared in the following checked positions.

PUBLICATION DATE(S): 03/14/2011

SouthtownStar

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed and notarized

By



John G. Bieschke

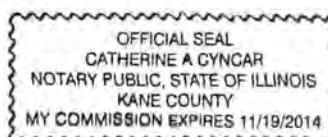
Account Manager - Public Legal Notices

Subscribed and sworn to before me this 14th Day of March 2011 A.D.



Notary Public

SCHOOL DISTRICT 215
1601 WENTWORTH AVE
CALUMET CITY, IL 60409-6309



MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held in the Community Meeting Room of the Thornton Fractional Center, 1605 Wentworth Avenue, Calumet City, Illinois, in said School District at 7:00 o'clock P.M., on the 22nd day of March, 2011.

* * *

The meeting was called to order by the President, and upon the roll being called, Richard Dust, the President, and the following members were physically present at said location: _____
Beymer, Marich, Revis, Swibes, Yochem, Dust

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: _____ N/A?

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____ Gigliotti

At 7:00 o'clock P.M., the President announced that the next agenda item for the Board of Education was a public hearing (the "*Hearing*") to receive public comments on the proposal to sell \$9,500,000 Working Cash Fund Bonds (the "*Bonds*") for the purpose of increasing the working cash fund of the District and explained that all persons desiring to be heard would have an opportunity to present written or oral testimony with respect thereto.

The President opened the discussion and explained that the reasons for the proposed issuance of the Bonds were as follows: Increasing the working cash fund of the District to finance the upgrade of the alarm systems at the schools, cafeteria expansions, HVAC repair and installation, and various other building repair and upgrades.

Whereupon the President asked for additional comments from the members of the Board of Education. Additional comments were made by the following:

(If no additional comments were made,
please so indicate with the word "none.") NONE

Written testimony concerning the proposed issuance of the Bonds was read into the record by the Secretary and is attached hereto as *Exhibit I*.

(If no written testimony was received,
please so indicate with the word "none.") NONE

Whereupon the President asked for oral testimony or any public comments concerning the proposed issuance of the Bonds. Statements were made by the following:

(If no additional statements were made,
please so indicate with the word "none.") NONE

The President then announced that all persons desiring to be heard had been given an opportunity to present oral and written testimony with respect to the proposed issuance of the Bonds.

Member Revis moved and Member Beymer seconded the motion that the Hearing be finally adjourned.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion.

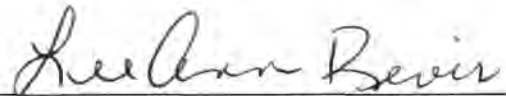
Upon the roll being called, the following members voted AYE: Beymer, Maricich,
Revis, Swibes, Yochem, Dust

The following members voted NAY: NONE

Whereupon the President declared the motion carried and the Hearing was finally adjourned.

Other business not pertinent to the conduct of the Hearing was duly transacted at said meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF MINUTES


I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "Board"), and as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 22nd day of March, 2011, insofar as the same relates to a public hearing concerning the intent of the Board to sell \$9,500,000 Working Cash Fund Bonds.

I do further certify that the deliberations of the Board at said meeting were conducted openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 96 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the School Code of the State of Illinois, as amended, and the Bond Issue Notification Act of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Acts and said Code and with all of the procedural rules of the Board in the conduct of said meeting.

I do further certify that notice of said public hearing was posted at least 96 hours before said public hearing at the principal office of the Board and that attached hereto as *Exhibit B* is a true, correct and complete copy of said notice as so posted.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 22nd day of March, 2011.



Secretary, Board of Education

Board of Education Agenda
 Thornton Fractional Township H.S. District 215
 Regular Meeting

Tuesday, March 22, 2011
Following 7:00 p.m. Bond Hearing
T.F. Center

1605 Wentworth Avenue – Calumet City, IL

6:30 p.m. Building & Grounds and Finance Committee Mtg.

7:00 p.m. Bond Hearing: Intent of the Board of Education of the District to sell bonds in the amount not to exceed \$9,500,000 for the purpose of increasing the working cash fund of the District.

A. Action	I II III. IV. V.	Call To Order – Pledge of Allegiance Roll Call Communications A. Board 1. Freedom of Information Report 2. Community Public Comment 3. Staff Updates 4. Principal Updates 5. District Updates a. Academic Update – Mr. Fies: Targets Goals B. Committee Reports 1. Curriculum 2. Building & Grounds 3. Finance Future Meetings A. Special Mtg. – Bid Acceptance – Tuesday April 12, 2011 @ 7 p.m. B. Regular Meeting: April 26, 2011 Center {Election Canvass / Reorganization Tentative} C. May 17, 2011 – Move Regular monthly meeting Approval of Minutes – Open & Closed (Consent Agenda) A. Regular Meeting: 2.22.11 B. Curriculum Committee: 3.14.11 C. Building & Grounds and Finance: 2.22.11	
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A. Action	VI.	<p>Old Business</p> <p>A. 2011-12 Proposed Calendar – 2nd Reading</p>	Exhibit 1
A. Action B. Action	VII.	<p>New Business</p> <p>A. Adopt Resolution for Work Cash Bond Resolution</p> <p>B. Waive 2nd Reading Revisions: Policy 6110: Acceptable Use for Technology Policy Policy 5134 – Medication Policy Policy 8250 – Conflict of Interest</p>	Exhibit 2 Exhibit 3
C. Action D. Action E. Action		<p>C. 2010 Audit</p> <p>D. Technology Integration Plan 2011</p> <p>E. 2011 Summer School</p>	Exhibit 4 Enclosed Exhibit 5
	VIII.	<p>Closed Session</p> <p>A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees</p> <p>B. Pending Litigation</p>	
A. Action B. Action	IX.	<p>Superintendent's Report</p> <p>A. Financial Report</p> <p>B. Personnel Report (Consent Agenda)</p>	Exhibit 6 Exhibit 7
	X.	Other Matters	
	XI.	Adjourn	

[To Be Posted at the Principal Office of the Board of Education]

**NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF
THE BOARD OF EDUCATION OF
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215,
COOK COUNTY, ILLINOIS
TO SELL \$9,500,000 WORKING CASH FUND BONDS**

PUBLIC NOTICE IS HEREBY GIVEN that Township High School District Number 215, Cook County, Illinois (the "*District*"), will hold a public hearing on the 22nd day of March, 2011, at 7:00 o'clock P.M. The hearing will be held in the Community Meeting Room of the Thornton Fractional Center, 1605 Wentworth Avenue, Calumet City, Illinois. The purpose of the hearing will be to receive public comments on the proposal to sell bonds of the District in the amount of \$9,500,000 for the purpose of increasing the working cash fund of the District.

By order of the President of the Board of Education of Township High School District Number 215, Cook County, Illinois.

DATED the 4th day of March, 2011.

LeeAnn Revis
Secretary, Board of Education,
Township High School District Number 215,
Cook County, Illinois

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held at the T. F. Center for Academics and Technology, 1605 Wentworth Avenue, Calumet City, Illinois, in said School District at 7:00 o'clock P.M., on the 26th day of April, 2011.

* * *

The President called the meeting to order and directed the Secretary to call the roll.

Upon the roll being called, Richard Dust, the President, and the following members were physically present at said location: Charles Maricich, LeeAnn Revis, Robin Beymer, Donald Swibes and Roger Yochem.

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: N/A

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: James Gigliotti

The President announced that the next item for consideration by the Board of Education would be the sale of the District's general obligation working cash fund bonds to be issued by the District pursuant to Article 20 of the School Code and that the Board of Education would consider the adoption of a resolution providing for the issue of said bonds and the levy of a direct annual tax to pay the principal and interest thereon.

Whereupon Member LeeAnn Revis presented and the Secretary read by title a resolution as follows, a copy of which was provided to each member of the Board of Education prior to said meeting and to everyone in attendance at said meeting who requested a copy:

RESOLUTION providing for the issue of not to exceed \$7,500,000 General Obligation Limited School Bonds, Series 2011, of Township High School District Number 215, Cook County, Illinois.

* * *

WHEREAS, pursuant to the provisions of Article 20 of the School Code of the State of Illinois (the "*Act*"), and all laws amendatory thereof and supplementary thereto, Township High School District Number 215, Cook County, Illinois (the "*District*"), is authorized to create and maintain a Working Cash Fund in and for the District; and

WHEREAS, pursuant to authority of the provisions of said Article 20 the Board of Education of the District (the "*Board*") adopted a resolution declaring its intention to avail of the provisions of said Article and issue bonds of the District to an aggregate amount not to exceed \$9,500,000 for working cash fund purposes as in and by said Article 20 provided; and

WHEREAS, pursuant to and in accordance with the Act and the provisions of Section 5 of the Local Government Debt Reform Act of the State of Illinois, as amended, notice of intention to issue said bonds pursuant to the provisions of said Article 20 was published in the *SouthtownStar*, the same being a newspaper of general circulation in the District, and an affidavit evidencing the publication of such notice of intention, together with a newspaper clipping of such notice as published attached thereto, have heretofore been presented to the Board and made a part of the permanent records of the Board; and

WHEREAS, more than thirty (30) days have expired since the date of the publishing of such notice of intention to issue said bonds, and no petition with the requisite number of valid signatures thereon has been filed with the Secretary of the Board requesting that the proposition to issue said bonds as authorized by the provisions of said Article 20 be submitted to the legal voters of the District; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the President of the Board, on the 18th day of February, 2011, executed an Order calling a public hearing (the "*Hearing*") for the 22nd day of March, 2011, concerning the intent of the Board to sell said bonds; and

WHEREAS, notice of the Hearing was given (i) by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *SouthtownStar*, the same being a newspaper of general circulation in the District, and (ii) by posting at least 48 hours before the Hearing a copy of said notice at the principal office of the Board; and

WHEREAS, the Hearing was held on the 22nd day of March, 2011, and at the Hearing the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 22nd day of March, 2011; and

WHEREAS, the Board is now authorized to issue bonds to an amount not to exceed \$9,500,000 as authorized by the provisions of said Article 20 for working cash fund purposes and to levy taxes to pay principal of and interest on such bonds; and

WHEREAS, the Board deems it advisable, necessary and for the best interests of the District that not to exceed \$7,500,000 of the bonds so authorized be issued at this time; and

WHEREAS, the bonds so authorized shall be issued as limited bonds under the provisions of Section 15.01 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), and as such it is not necessary to submit the proposition of the issuance of the bonds to the voters of the District for approval:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Township High School District Number 215, Cook County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

Section 2. Authorization. It is hereby found and determined that the working cash fund of the District be increased and the Board has been authorized by law to borrow a sum not to exceed \$7,500,000 upon the credit of the District and as evidence of such indebtedness to issue bonds of the District in said amount, the proceeds of said bonds to be used for working cash fund purposes, and that it is necessary and for the best interests of the District that there be issued at this time not to exceed \$7,500,000 of the bonds so authorized.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the District a sum not to exceed \$7,500,000 for the purpose aforesaid; and that bonds of the District shall be issued to said amount and, if issued, shall be designated "General Obligation Limited School Bonds, Series 2011" (the "Bonds"). The Bonds shall be dated such date (not later than October 1, 2011) as set forth in the Bond Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter set forth) on December 1 of each of the years (not later than 2030), in the amounts (not exceeding \$725,000 per year) and bearing interest at the rates per annum (not exceeding 9.00% per annum) as set forth in the Bond Notification. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with

the first interest payment date (not earlier than December 1, 2011) as set forth in the Bond Notification, and on June 1 and December 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of UMB Bank, N.A., St. Louis, Missouri, the bond registrar and paying agent (the "*Bond Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signatures of the President and Secretary of the Board, and shall be registered, numbered and countersigned by the manual or facsimile signature of the School Treasurer who receives the taxes of the District, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the District and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if

signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. (a) General. The District shall cause books (the "*Bond Register*") for the registration and for the transfer of the Bonds as provided in this Resolution to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the District. The District is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the District for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest

payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("*DTC*"). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President and Secretary of the Board, the Superintendent and chief business official of the District and the Bond Registrar are each authorized to execute and deliver, on behalf of the District, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or

agreement being referred to herein as the "*Representation Letter*"), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the District and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*DTC Participant*") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The District and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid.

No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede" in this resolution shall refer to such new nominee of DTC.

In the event that (i) the District determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the District, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the District determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the District may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the District, or such depository's agent or designee, and if the District does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 5. Redemption. (a) Optional Redemption. All or a portion of the Bonds due on and after the date, if any, specified in the Bond Notification (but not later than December 1, 2021) shall be subject to redemption prior to maturity at the option of the District from any available funds, as a whole or in part, and if in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification (but not later than December 1, 2020), and on any date thereafter, at the redemption prices (expressed as a percentage of the principal amount redeemed and not to exceed 102%) plus accrued interest to the date fixed for redemption, if applicable, as set forth in the Bond Notification.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date for the Bonds, on December 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

On or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General.* For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion

of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the District in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 6. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the District by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 7. Form of Bond. The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [12] shall be inserted immediately after paragraph [1]:

(Form of Bond - Front Side)

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215

GENERAL OBLIGATION LIMITED SCHOOL BOND, SERIES 2011

See Reverse Side for
Additional Provisions

Interest _____ Maturity _____ Dated _____
Rate: _____% Date: December 1, 20__ Date: _____, 2011 CUSIP 215651 _____

Registered Owner: CEDE & Co.

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that Township High School District Number 215, Cook County, Illinois (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing _____, 20__, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of UMB Bank, N.A., St. Louis, Missouri, as bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the

registration books of the District maintained by the Bond Registrar, at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of the taxes to be extended to pay the issue of bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District (the "*Base*"), as more fully described in the proceedings of the District providing for the issue of this Bond. Payments on the Bonds from the Base will be made on a parity with the payments on the outstanding limited bonds heretofore issued by the District. The District is authorized to

issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] IN WITNESS WHEREOF, said Township High School District Number 215, Cook County, Illinois, by its Board of Education, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by the manual or duly authorized facsimile signature of the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

SPECIMEN

President, Board of Education

SPECIMEN

Secretary, Board of Education

Registered, Numbered and Countersigned:

SPECIMEN

School Treasurer

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:
UMB Bank, N.A.,
St. Louis, Missouri

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Limited School Bonds, Series 2011, of Township High School District Number 215, Cook County, Illinois.

UMB BANK, N.A.,
as Bond Registrar

By _____
SPECIMEN
Authorized Officer

[Form of Bond - Reverse Side]

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215

COOK COUNTY, ILLINOIS

GENERAL OBLIGATION LIMITED SCHOOL BOND, SERIES 2011

[6] This Bond is one of a series of bonds issued by the District for working cash fund purposes, in full compliance with the provisions of the School Code of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by the Board of Education of the District by resolutions duly and properly adopted for that purpose, in all respects as provided by law.

[7] Bonds of the issue of which this Bond is one due on or after December 1, 20__, are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 1, 20__, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[8] [Mandatory redemption provisions, if any, will be inserted here.]

[9] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the District maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[10] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in St. Louis, Missouri, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[11] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the authorizing resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

[12] The District and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____
_____ attorney to transfer the said Bond on the books kept for registration
thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 8. Sale of Bonds. The President of the Board and the Superintendent of the District (the "*Designated Representatives*") are hereby authorized, without any further authorization or direction from the Board, to sell the Bonds upon the terms as prescribed in this Resolution, on or before the date the Board reorganizes as a result of the consolidated election held on April 5, 2011. The Bonds hereby authorized shall be executed as in this Resolution provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the School Treasurer who receives the taxes of the District, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to BMO Capital Markets GKST, Inc., Chicago, Illinois, the purchaser thereof (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being not less than 98% of the principal amount of the Bonds, plus accrued interest to date of delivery, it being hereby found and determined that the sale of the Bonds to the Purchaser is in the best interests of the District and that no person holding any office of the District, either by election or appointment, is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the sale of the Bonds to the Purchaser. The surety bond executed by said Treasurer in connection with the issuance of the Bonds as required by Section 19-6 of the Act, is

hereby approved and shall be filed with the Regional Superintendent of Schools having jurisdiction over the District.

Prior to the sale of the Bonds, the President of the Board or the Superintendent or business official of the District is hereby authorized to approve and execute a commitment for the purchase of a Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Bond Insurance Policy.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the "*Bond Notification*"). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law. The Bond Notification shall be entered into the records of the District and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the President and Secretary of the Board and the School Treasurer who receives the taxes of the District and any other officers of the District, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the

contract for the sale of the Bonds between the District and the Purchaser (the "*Purchase Contract*"). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the District, either by election or appointment, is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the Purchase Contract.

The Bonds before being issued shall be registered, numbered and countersigned by the School Treasurer who receives the taxes of the District, such registration being made in a book provided for that purpose, in which shall be entered the record of the resolution authorizing the Board to borrow said money and a description of the Bonds issued, including the number, date, to whom issued, amount, rate of interest and when due.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the District to consummate the transactions contemplated by the Purchase Contract, this Resolution, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 9. Tax Levy. In order to provide for the collection of a direct annual tax to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the District a direct annual tax for each of the years while the Bonds or any of them are outstanding, and that there be and there is hereby levied upon all of the taxable property in the District, the following direct annual tax, to-wit:

FOR THE YEAR

A TAX TO PRODUCE THE SUM OF:

2011	\$ 33,966.92	for interest and principal up to and including December 1, 2012
2012	\$342,229.92	for interest and principal
2013	\$743,591.92	for interest and principal
2014	\$743,591.92	for interest and principal
2015	\$743,591.92	for interest and principal
2016	\$743,591.92	for interest and principal
2017	\$743,591.92	for interest and principal
2018	\$743,591.92	for interest and principal
2019	\$743,591.92	for interest and principal
2020	\$743,591.92	for interest and principal
2021	\$743,591.92	for interest and principal
2022	\$743,591.92	for interest and principal
2023	\$743,591.92	for interest and principal
2024	\$743,591.92	for interest and principal
2025	\$743,591.92	for interest and principal
2026	\$743,591.92	for interest and principal
2027	\$743,591.92	for interest and principal
2028	\$743,591.92	for interest and principal
2029	\$743,591.92	for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the District, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The District covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to levy and collect the foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the President and Secretary of the Board and the School Treasurer who receives the taxes of the District are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerk of Cook County, Illinois (the "*County Clerk*"), in a timely manner to effect such abatement.

Section 10. Filing of Resolution. Forthwith upon the passage of this Resolution, the Secretary of the Board is hereby directed to file a certified copy of this Resolution with the County Clerk, and it shall be the duty of the County Clerk to annually in and for each of the years 2011 to 2029, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in each of said years for school purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general school purposes of the District, and when collected, the taxes hereby levied shall be placed to the credit of the special fund to be designated "School Bond and Interest Fund of 2011" (the "*Bond Fund*"), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds; and a certified copy of this Resolution shall also be filed with the School Treasurer who receives the taxes of the District. Interest earnings on the Bond Fund and the Working Cash Fund of the District have not been earmarked or restricted by the Board for a designated purpose.

Section 11. Limitation on Extension; General Obligation Pledge; Additional Obligations. Notwithstanding any other provision of this Resolution, the annual amount of the taxes to be extended by the County Clerk to pay the Bonds and all other limited bonds (as defined in the Debt Reform Act) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Property Tax Extension Limitation Law of the State of Illinois, as amended) of the District (the "*Base*").

No limit, however, exists on the rate of the direct annual tax levied herein, and the Bonds shall constitute a general obligation of the District.

Payments on the Bonds from the Base will be made on a parity with the payments on the District's outstanding Limited Tax School Bonds, Series 2006, dated December 1, 2006. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

Section 12. Use of Bond Proceeds. All moneys derived from the issuance of the Bonds hereby authorized shall be used only for the purpose and in the manner provided by the Act. Accrued interest received on the delivery of the Bonds and principal proceeds in the amount, if any, set forth in the Bond Notification sufficient to pay first interest due on the Bonds are hereby appropriated and ordered deposited into the Bond Fund. The balance of the principal proceeds of the Bonds and any premium received on the delivery of the Bonds are hereby appropriated to pay the costs of issuance of the Bonds and for working cash fund purposes, and that portion thereof not needed to pay such costs shall be set aside in a separate fund known and designated as the "Working Cash Fund of Township High School District Number 215, Cook County, Illinois," which said fund shall be held apart and maintained as provided in Article 20 of the Act at least until all the Bonds have been retired, and shall not be used for any other purpose whatsoever. At

the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the District from the proceeds of the Bonds.

Section 13. Non-Arbitrage and Tax-Exemption. The District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Internal Revenue Code of 1986, as amended (the "*Code*"), or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service (the "*IRS*") of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the District may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

The District also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President and Secretary of the Board and the School Treasurer who receives the taxes of the District, to make such further covenants and certifications regarding the specific use of the proceeds of the Bonds as approved by the Board and as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the

District and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the District in such compliance.

Section 14. Designation of Issue. The District hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 15. Registered Form. The District recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 16. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 17. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Secretary of the Board are authorized to execute the Bond Registrar’s standard form of agreement between the District and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;

(c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

(d) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(e) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 18. Continuing Disclosure Undertaking. The President of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "*Continuing Disclosure Undertaking*"). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the District as herein provided, the Continuing Disclosure Undertaking will be binding on the District and the officers, employees and agents of the District, and the officers, employees and agents of the District are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Resolution, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order to cause the District to comply with its obligations under the Continuing Disclosure Undertaking.

Section 19. Municipal Bond Insurance. In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the "*Bond Insurance Policy*") issued by a bond insurer (the "*Bond Insurer*"), and as long as such Bond Insurance Policy shall be in full force and effect, the District and the Bond Registrar agree to

comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the President of the Board on advice of counsel, his or her approval to constitute full and complete acceptance by the District of such terms and provisions under authority of this Section.

Section 20. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the District to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds or other bonds or debt obligations of the District (each a “*Tax-Exempt Obligation*” and, collectively, the “*Tax-Exempt Obligations*”), the interest on which is excludable from “gross income” for federal income tax purposes. Further, it is necessary and in the best interest of the District that (i) the Board adopt policies with respect to record-keeping and (ii) the Compliance Officer (as hereinafter defined) shall at least annually review the District’s Contracts (as hereinafter defined) to determine whether the Tax-Exempt Obligations comply with the federal tax requirements applicable to each issue of the Tax-Exempt Obligations.

(a) *Compliance Officer Is Responsible for Records.* The Director of Finance of the District (the “*Compliance Officer*”) is hereby designated as the keeper of all records of the District with respect to each issue of the Tax-Exempt Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax-Exempt Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax-Exempt Obligations, including without limitation (i) the proceedings of the District authorizing the Tax-Exempt Obligations, (ii) any offering document with respect to the offer and sale of the Tax-Exempt Obligations, (iii) any legal opinions with respect to the Tax-Exempt Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax-Exempt Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the District with respect to each issue of Tax-Exempt Obligations and shall prepare a report for the Board stating whether or not the District has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax-Exempt Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax-Exempt Obligations and shall determine what requirements the District must meet in order to maintain the tax-exemption of interest paid on the Tax-Exempt Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax-Exempt Obligations is entitled to be excluded from "gross income" for federal income tax purposes. Notwithstanding any other policy of the District, such retained records shall be kept for as long as the Tax-Exempt Obligations relating to such records (and any obligations issued to refund the Tax-Exempt Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the bond transcripts delivered when any issue of Tax-Exempt Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all bond proceeds for their intended purposes;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax-Exempt Obligations has been held;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax-Exempt Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax-Exempt Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the District, including any leases (the "*Contracts*"), with respect to the use of any property owned by the

District and acquired or financed with the proceeds of the Tax-Exempt Obligations, any part of which property is used by a private person at any time when such Tax-Exempt Obligations are or have been outstanding.

(e) *IRS Examination.* In the event the IRS commences an examination of any issue of Tax-Exempt Obligations, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax-Exempt Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2009-31 or similar program instituted by the IRS.

(g) *Amendment and Waiver.* The District may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax-Exempt Obligations and as authorized by passage of a resolution by the Board.

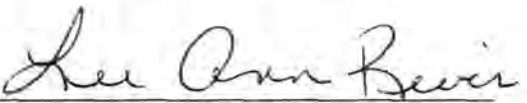
Section 21. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 22. Repeal. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted April 26, 2011.



President, Board of Education



Secretary, Board of Education

Member LeeAnn Revis moved and Member Roger Yochem seconded the motion that said resolution as presented and read by title be adopted.

After a full and complete discussion of said resolution, the President directed the Secretary to call the roll for a vote upon the motion to adopt said resolution.

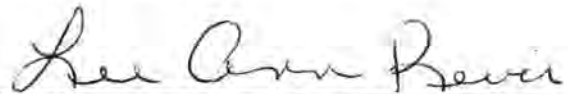
Upon the roll being called, the following members voted AYE: Richard Dust
Charles Maricich, LeeAnn Revis, Robin Beymer, Donald Swibes and
Roger Yochem.

The following members voted NAY: None

Whereupon the President declared the motion carried and said resolution duly adopted, in open meeting approved and signed said resolution and directed the Secretary to record the same in full in the records of the Board of Education of Township High School District Number 215, Cook County, Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "Board"), and as such official I am the keeper of the records and files of the Board.

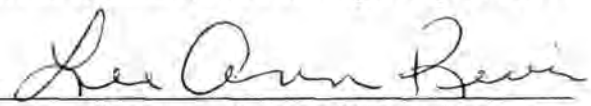
I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 26th day of April, 2011, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$7,500,000 General Obligation Limited School Bonds, Series 2011, of Township High School District Number 215, Cook County, Illinois.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 96 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the School Code of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended, that the Board has complied with all of the provisions of said Acts and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 26th day of April, 2011.


Secretary, Board of Education

Board of Education Agenda
 Thornton Fractional Township H.S. District 215
 Regular Meeting

.....
Tuesday, April 26, 2011
T.F. Center
1605 Wentworth Avenue – Calumet City, IL
7:00 p.m.

	I.	Call To Order – Pledge of Allegiance	
	II.	Roll Call	
	III.	Communications A. Board 1. Freedom of Information Report 2. Community Public Comment 3. Staff Updates a. Excellence Counts: Robyn Zirkle 4. Principal Updates 5. District Updates a. Academic Update – Mr. Fies: District wide spring testing b. State Certificates of Recognition B. Committee Reports 1. Curriculum	
	IV.	Future Meetings A. Canvass of Election Results / Reorganization: 5.3.11 – 7:00 p.m. B. New Board Orientation Mtg. 5.4.11 – 4:30 p.m. C. Regular Meeting: 5.17.11 – 7:00 p.m. D. TF North Graduation: 5.24.11 – 6:00 p.m. E. TF South Graduation: 5.25.11 – 6:00 p.m.	
A. Action	V.	Approval of Minutes – Open & Closed (Consent Agenda) A. Regular Meeting: 3.22.11 B. Curriculum Committee: 4.16.11 C. Building & Grounds and Finance: 3.22.11 D. Bond Hearing: 3.22.11 E. Special Mtg.: 4.12.11	
A. Action B. Action	VI.	Old Business A. Resolution for Sale of WCF Bonds B. 2011 Summer School Course Revision	Exhibit 1 Exhibit 2

**District 215 - Board of Education
Agenda
Tuesday, April 26, 2011**

<p>Action Action Action Action Action Action</p>	<p>VII.</p>	<p>New Business A. Revise 2010-11 School Calendar B. 2011-12 IHSA Membership C. 2011 -12 Student Fees D. Accept FY2011 Library Grant E. Auditor Contract F. Revise Polity 6110 – IT Access G. 2011-12 Student Handbook – 1st Reading</p>	<p>Exhibit 3 Exhibit 4 Exhibit 5 Exhibit 6 Exhibit 7 Exhibit 8</p>
	<p>VIII.</p>	<p>Closed Session A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees B. Pending Litigation</p>	
<p>Action Action</p>	<p>IX.</p>	<p>Superintendent's Report A. Financial Report B. Personnel Report (Consent Agenda)</p>	<p>Exhibit 9 Exhibit 10</p>
	<p>X.</p>	<p>Other Matters A. Expel Student # 800811</p>	
	<p>XII.</p>	<p>Adjourn</p>	

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)


FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such official I do further certify that on the 13th day of May, 2011, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$7,500,000 General Obligation Limited School Bonds, Series 2011, of Township High School District Number 215, Cook County, Illinois.

duly adopted by the Board of Education of Township High School District Number 215, Cook County, Illinois, on the 26th day of April, 2011, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 13th day of May, 2011.



County Clerk of The County of Cook,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois, and as such official I do further certify that on the 27TH day of APRIL, 2011, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$7,500,000 General Obligation Limited School Bonds, Series 2011, of Township High School District Number 215, Cook County, Illinois.

duly adopted by the Board of Education of said School District on the 26th day of April, 2011, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 27TH day of April, 2011.

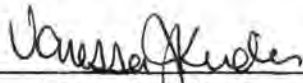

School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

NO PETITION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting Executive Director for the South Cook Intermediate Service Center, an educational service center established pursuant to Section 2-3.62 of the School Code of the State of Illinois, as amended (the "Code"), serving a portion of the Educational Service Region consisting of that portion of Cook County, Illinois, outside a city of 500,000 or more population, including the area within the territorial boundaries of Township High School District Number 215, Cook County, Illinois (the "District"), and as such official I do further certify that the records of my office do evidence that the District, or any part thereof, is not involved in any manner whatsoever in any proceedings for the conversion or combination of the District or the formation of a combined elementary district, a combined high school district, a combined unit district, a unit district, a combined high school-unit district, a new elementary district or an optional elementary unit district or to dissolve and establish a new school district or districts or become part of an optional elementary unit district pursuant to the provisions of Article 11E of the Code, or of any other provision of said Code.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 11 day of May, 2011.



Executive Director


STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

NO PETITION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer of Township No. 36, Range No. 15, Cook County, Illinois, and as such official I do further certify that I am ex-officio Clerk of the Trustees of Schools of said Township and Range and am also the Township School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois (the "*District*"), all or the greater part of which District is located within said Township and Range.

I do further certify that as such official I do further certify that the records of my office do evidence that there has not been filed in my office nor is there now pending any petition or petitions affecting in any manner whatsoever the present boundaries of the District as the District is now constituted.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 4th day of May, 2011.



Township School Treasurer and ex-officio Clerk
of the Trustees of Schools

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT, DATED APRIL 19, 2011

**NEW ISSUE
BOOK-ENTRY ONLY
BANK QUALIFIED**

**RATING:
STANDARD & POOR'S: "AA-" (STABLE OUTLOOK)
See "BOND RATING" herein**

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

**Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)
\$7,080,000* General Obligation Limited School Bonds, Series 2011**

Dated: Date of Delivery

Due: December 1, as shown on the inside cover page

The General Obligation Limited School Bonds, Series 2011 (the "Bonds"), of Township High School District Number 215, Cook County, Illinois (the "District"), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing December 1, 2011.

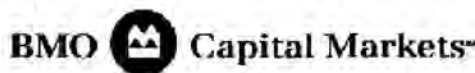
Proceeds of the Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Bonds, and (iii) pay costs associated with the issuance of the Bonds.

The Bonds due on or after December 1, 2021,* are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2020,* at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District, are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by law. See "THE BONDS—Security" herein.

The Bonds are offered when, as and if issued by the District and received by BMO Capital Markets GKST Inc., Chicago, Illinois, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about May 17, 2011.

The date of this Official Statement is April __, 2011.



* Preliminary, subject to change.

**Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)**

\$7,080,000* GENERAL OBLIGATION LIMITED SCHOOL BONDS, SERIES 2011

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (215651)
2013	\$ 10,000	%	%	
2014	315,000	%	%	
2015	325,000	%	%	
2016	335,000	%	%	
2017	345,000	%	%	
2018	360,000	%	%	
2019	375,000	%	%	
2020	390,000	%	%	
2021	405,000	%	%	
2022	425,000	%	%	
2023	445,000	%	%	
2024	465,000	%	%	
2025	490,000	%	%	
2026	515,000	%	%	
2027	540,000	%	%	
2028	570,000	%	%	
2029	605,000	%	%	
2030	165,000	%	%	

* Preliminary, subject to change.

** CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. Copyright 2011. American Bankers Association. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or BMO Capital Markets GKST Inc., Chicago, Illinois (the "Underwriter"), to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

For purposes of compliance with Rule 15c(2)-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to such Rule.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT SUMMARY

This offering of Bonds is made only by means of the Official Statement in its entirety. No person shall be authorized to detach this Summary from the Official Statement or to otherwise use this Summary without the Official Statement in its entirety.

Issuer:	Township High School District Number 215, Cook County, Illinois.
Issue:	\$7,080,000* General Obligation Limited School Bonds, Series 2011.
Dated Date:.....	Date of Delivery.
Book-Entry-Only Form:.....	The Bonds are issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, in \$5,000 denominations or integral multiples thereof, and will be in Book-Entry-Only Form.
Expected Delivery Date:	May 17, 2011.
Interest Payment Dates:	Each June 1 and December 1, commencing December 1, 2011.
Principal Payment Dates:	Each December 1, beginning December 1, 2013, and ending December 1, 2030, as described on the inside cover page of this Official Statement.
Record Date:.....	The close of the business day on the 15th day of the calendar month next preceding any principal or interest payment date.
Optional Redemption:	The Bonds due on or after December 1, 2021,* are subject to optional redemption prior to maturity on December 1, 2020,* and on any date thereafter, at a price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.
Authority and Purpose:	The Bonds are being issued pursuant to the School Code of the State of Illinois, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and a bond resolution adopted by the Board of

* Preliminary, subject to change.

Education of the District on the 26th day of April, 2011, as supplemented by a notification of sale.

Proceeds of the Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Bonds, and (iii) pay costs associated with the issuance of the Bonds.

Security: In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by law. See "THE BONDS—Security" herein.

Tax Exemption: Chapman and Cutler LLP will provide an opinion as to the federal tax exemption of the interest on the Bonds. See "APPENDIX B—Proposed Form of Opinion of Bond Counsel."

Paying Agent/Registrar: UMB Bank, National Association, Kansas City, Missouri.

Bond Ratings: Standard & Poor's Ratings Services, New York, New York has assigned the Bonds a rating of "AA-" (stable outlook).

Legal Opinion: Chapman and Cutler LLP, Chicago, Illinois.

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EXHIBITS

- Exhibit A — Combined Statement of Revenues, Expenditures and Changes in Fund Balance, 2006-2010
- Exhibit B — General Fund Revenue Sources, Fiscal Years Ending June 30, 2006-2010

APPENDICES

- Appendix A — Proposed Form of Opinion of Bond Counsel
- Appendix B — Continuing Disclosure Undertaking
- Appendix C — Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2010

**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
(THORNTON FRACTIONAL)**

1601 Wentworth Avenue
Calumet City, Illinois 60409

Board of Education

Richard Dust
President

Robin L. Beymer

LeeAnn Revis
Secretary

Don Swibes

James Gigliotti

Charles Maricich
Vice President

Roger Yochem

Administration

Dr. Creg E. Williams
Superintendent

Charles DiMartino
Director of Finance

Professional Services

Underwriter
BMO Capital Markets GKST Inc.
Chicago, Illinois

Bond Counsel and Disclosure Counsel
Chapman and Cutler LLP
Chicago, Illinois

Bond Registrar and Paying Agent
UMB Bank, National Association
Kansas City, Missouri

Auditor
John Kasperek Co., Inc.
Calumet City, Illinois

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OFFICIAL STATEMENT

**Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)
\$7,080,000* General Obligation Limited School Bonds, Series 2011**

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Township High School District Number 215, Cook County, Illinois (the "*District*" or the "*Issuer*"), in connection with the offering and sale of its General Obligation Limited School Bonds, Series 2011 (the "*Bonds*").

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the "*School Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto, and a bond resolution (the "*Bond Resolution*") adopted by the Board of Education of the District (the "*Board*") on the 26th day of April, 2011, as supplemented by a notification of sale.

Proceeds of the Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Bonds, and (iii) pay costs associated with the issuance of the Bonds.

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York ("*DTC*"). Principal of and interest on the Bonds will be payable by UMB Bank, National Association, Kansas City, Missouri (the "*Registrar*").

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning December 1, 2011.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the

* Preliminary, subject to change.

Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

REGISTRATION AND TRANSFER

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

REDEMPTION

Optional Redemption. The Bonds due on or after December 1, 2021,* are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Registrar), on December 1, 2020,* and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds due on December 1 of the years 20__* and 20__* are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE BONDS DUE DECEMBER 1, 20__

YEAR	PRINCIPAL AMOUNT
20__	\$
20__	(stated maturity)

* Preliminary, subject to change.

FOR THE BONDS DUE DECEMBER 1, 20__

YEAR	PRINCIPAL AMOUNT
20__	\$
20__	(stated maturity)

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

General. The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel ("*Bond Counsel*"), will constitute valid and legally binding obligations of the District, are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Limitation Law*").

The Debt Reform Act provides that the Bonds are payable solely from the debt service extension base of the District (the "*Base*"), which is an amount equal to that portion of the extension for the District for the 1994 levy year constituting an extension for payment of principal of and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year pursuant to Public Act 96-501, commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Limitation Law) during the 12-month calendar year preceding the levy year. The Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

The Bonds constitute one of two series of limited bonds of the District that are payable from the Base. Payments on the Bonds from the Base will be made on a parity with the payments on the District's outstanding Limited Tax School Bonds, Series 2006. The District is authorized to issue from time to time additional limited bonds payable from the Base and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

The amount of the Base has been determined to be \$743,591.92, which is calculated as follows:

Original Debt Service Extension Base	\$712,630.00
Levy Year 2009 0.1% CPI Increase	<u>712.63</u>
Debt Service Extension Base Levy Year 2009	\$713,342.63
Levy Year 2010 2.7% CPI Increase	<u>19,260.25</u>
Debt Service Extension Base Levy Year 2010	\$732,602.88
Levy Year 2011 1.5% CPI Increase	<u>10,989.04</u>
Debt Service Extension Base Levy Year 2011	\$743,591.92

The following chart shows the Base of the District, the debt service payable on the outstanding non-referendum bonds of the District and the Bonds, and the available Base after the issuance of the Bonds.

DEBT SERVICE EXTENSION BASE AVAILABILITY AFTER ISSUANCE OF THE BONDS

LEVY YEAR	DEBT SERVICE ON OUTSTANDING NON-REFERENDUM BONDS	PLUS: DEBT SERVICE ON THE BONDS ⁽¹⁾⁽²⁾	TOTAL DEBT SERVICE ON NON-REFERENDUM BONDS ⁽²⁾	DEBT SERVICE EXTENSION BASE	UNUSED DEBT SERVICE EXTENSION BASE ⁽²⁾
2011	\$709,625.00	\$ 33,966.00	\$743,591.00	\$743,591.92	\$ 0.92
2012	401,362.50	340,942.50	742,305.00	743,591.92	1,286.92
2013		645,717.50	645,717.50	743,591.92	97,874.42
2014		647,055.00	647,055.00	743,591.92	96,536.92
2015		647,305.00	647,305.00	743,591.92	96,286.92
2016		646,517.50	646,517.50	743,591.92	97,074.42
2017		648,480.00	648,480.00	743,591.92	95,111.92
2018		649,080.00	649,080.00	743,591.92	94,511.92
2019		648,330.00	648,330.00	743,591.92	95,261.92
2020		646,170.00	646,170.00	743,591.92	97,421.92
2021		647,742.50	647,742.50	743,591.92	95,849.42
2022		647,767.50	647,767.50	743,591.92	95,824.42
2023		646,185.00	646,185.00	743,591.92	97,406.92
2024		647,935.00	647,935.00	743,591.92	95,656.92
2025		647,700.00	647,700.00	743,591.92	95,891.92
2026		645,405.00	645,405.00	743,591.92	98,186.92
2027		645,975.00	645,975.00	743,591.92	97,616.92
2028		649,055.00	649,055.00	743,591.92	94,536.92
2029		174,570.00	174,570.00	743,591.92	569,021.92

(1) Does not include capitalized interest on the Bonds in the amount of \$475,317.74 for which a tax will not be levied.

(2) Preliminary, subject to change.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the Bonds. Such Bond Resolution will be filed with the County Clerk of Cook

County, Illinois (the "County Clerk") and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Resolution.

Reference is made to Appendix B for the proposed form of opinion of Bond Counsel.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:

Principal Amount	\$
Original Issue Premium	_____
Total Sources	\$

USES:

Deposit to Working Cash Fund	\$
Payment of Capitalized Interest	
Costs of Issuance*	_____
Total Uses	\$

* Includes underwriter's discount and other issuance costs.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust &

Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the “Commission”). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

THE DISTRICT

GENERAL DESCRIPTION

The District is situated in Southern Cook County (the "*County*") and comprises an area of approximately 14 square miles. The District serves the Village of Lansing, most of the Village of Burnham, about half of the City of Calumet City and a small portion of the Village of Lynwood (collectively, the "*Municipalities*"). According to the 2000 U.S. Census, the population of the District is 60,779.

The District is located approximately 27 miles south of downtown Chicago and approximately 25 miles southeast of Midway Airport. Transportation needs are served by I-294/Tri-State Tollway, I-94/I-80 and I-90 as well as major local roads such as Torrence Avenue, Burnham Avenue and Ridge Road. Commuter service to downtown is provided by Metra's Electric Line. Travel time to the downtown station is about 45 minutes. Local bus service to surrounding communities is available from Pace.

The District provides education for grades nine through twelve in three high school facilities and one administrative building. The District enrolled 3,749 students at the beginning of the 2010-2011 academic year.

DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE
Dr. Creg E. Williams	Superintendent
Charles DiMartino	Director of Finance

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

The District is governed by a seven-member Board of Education, elected at large for four year overlapping terms.

OFFICIAL	POSITION	TERM EXPIRES
Richard Dust	President	April 2013
Charles Maricich	Vice President	April 2011
LeeAnn Revis	Secretary	April 2013
Robin L. Beymer	Member	April 2011
James Gigliotti	Member	April 2011
Don Swibes	Member	April 2013
Roger Yochem	Member	April 2013

ENROLLMENT

HISTORICAL		PROJECTED	
2006/2007	3,341	2011/2012	3,800
2007/2008	3,379	2012/2013	3,850
2008/2009	3,435	2013/2014	3,900
2009/2010	3,677	2014/2015	3,930
2010/2011	3,749*	2015/2016	3,960

Source: Enrollment figures are provided by the District.

* Consists of 1,622 enrolled at North High School, 1,983 enrolled at South High School, and 144 enrolled at the Center for Academics and Technology.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2010-2011 school year, the District had 345 full-time employees and 28 part-time employees. Of the total number of employees, approximately 227 are represented by a union. Employee-union relations are considered to be good.

POPULATION DATA

The District has a population of 60,749 according to the 2000 U.S. Census.

<u>NAME OF ENTITY</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2009</u>	<u>% CHANGE 2000/2009</u>
Village of Burnham	4,030	3,916	4,170	3,954	-5.18%
City of Calumet City	39,697	37,840	39,071	36,619	-6.28%
Village of Lansing	29,039	28,086	28,332	26,524	-6.38%
Village of Lynwood	4,195	6,535	7,377	8,650	17.26%
Cook County	5,253,655	5,105,067	5,376,741	5,287,037	-1.67%
State of Illinois	11,427,409	11,430,602	12,419,293	12,910,409	3.95%

Source: U.S. Census Bureau

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

SUMMARY OF OUTSTANDING DEBT⁽¹⁾

TYPE	DATED DATE	ORIGINAL AMOUNT OF ISSUE	CURRENT AMOUNT OUTSTANDING	FINAL MATURITY DATE
School Bonds, Series 2002	12/15/2002	\$9,995,000	\$6,935,000	12/01/2022
School Bonds, Series 2003	02/01/2003	9,000,000	6,170,000	12/01/2022
Limited Tax School Bonds, Series 2006	12/01/2006	4,000,000	1,690,000	12/01/2013
The Bonds ⁽²⁾	05/27/2011	<u>7,080,000</u>	<u>7,080,000</u>	12/01/2030
Total ⁽²⁾		\$30,075,000	\$21,875,000	

(1) Does not include Alternate Revenue Bonds, which do not constitute debt of the District unless the taxes levied to pay such Alternate Revenue Bonds are extended, or outstanding leases in the amount of \$324,954.

(2) Preliminary, subject to change.

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2002 BONDS ⁽¹⁾ (DECEMBER 1)	SERIES 2003 BONDS ⁽²⁾ (DECEMBER 1)	SERIES 2006 BONDS ⁽³⁾ (DECEMBER 1)	PLUS: THE BONDS ⁽⁴⁾ (DECEMBER 1)	TOTAL OUTSTANDING BONDS ⁽⁴⁾	CUMULATIVE PERCENT RETIRED ⁽⁴⁾
2011	\$450,000	\$400,000	\$640,000		\$1,490,000	6.81%
2012	470,000	420,000	665,000		1,555,000	13.92%
2013	490,000	445,000	385,000	\$10,000	1,330,000	20.00%
2014	510,000	460,000		315,000	1,285,000	25.87%
2015	535,000	480,000		325,000	1,340,000	32.00%
2016	560,000	495,000		335,000	1,390,000	38.35%
2017	585,000	520,000		345,000	1,450,000	44.98%
2018	610,000	540,000		360,000	1,510,000	51.89%
2019	635,000	565,000		375,000	1,575,000	59.09%
2020	665,000	590,000		390,000	1,645,000	66.61%
2021	695,000	615,000		405,000	1,715,000	74.45%
2022	730,000	640,000		425,000	1,795,000	82.65%
2023				445,000	445,000	84.69%
2024				465,000	465,000	86.81%
2025				490,000	490,000	89.05%
2026				515,000	515,000	91.41%
2027				540,000	540,000	93.87%
2028				570,000	570,000	96.48%
2029				605,000	605,000	99.25%
2030				165,000	165,000	100.00%
TOTAL	\$6,935,000	\$6,170,000	\$1,690,000	\$7,080,000	\$21,875,000	

(1) School Bonds, Series 2002, dated December 15, 2002.

(2) School Bonds, Series 2003, dated February 1, 2003.

(3) Limited Tax School Bonds, Series 2006, dated December 1, 2006.

(4) Preliminary, subject to change.

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL AND INTEREST)

LEVY YEAR	DEBT SERVICE ON SERIES 2002 BONDS ⁽¹⁾	DEBT SERVICE ON SERIES 2003 BONDS ⁽²⁾	DEBT SERVICE ON SERIES 2006 BONDS ⁽³⁾	PLUS: DEBT SERVICE ON THE BONDS ⁽⁴⁾⁽⁵⁾	TOTAL DEBT SERVICE ON OUTSTANDING BONDS ⁽⁵⁾
2010	\$761,720.00	\$667,700.00	\$711,825.00	\$178,341.24	\$2,319,586.24
2011	761,470.00	667,700.00	709,625.00	330,942.50	2,469,737.50
2012	760,320.00	671,700.00	401,362.50	340,942.50	2,174,325.00
2013	758,270.00	669,790.00		645,717.50	2,073,777.50
2014	760,320.00	671,850.00		647,055.00	2,079,225.00
2015	761,245.00	667,650.00		647,305.00	2,076,200.00
2016	761,045.00	672,355.00		646,517.50	2,079,917.50
2017	760,890.00	670,515.00		648,480.00	2,079,885.00
2018	759,050.00	672,295.00		649,080.00	2,080,425.00
2019	760,475.00	672,435.00		648,330.00	2,081,240.00
2020	760,550.00	671,475.00		646,170.00	2,078,195.00
2021	763,580.00	668,800.00		647,742.50	2,080,122.50
2022				647,767.50	647,767.50
2023				646,185.00	646,185.00
2024				647,935.00	647,935.00
2025				647,700.00	647,700.00
2026				645,405.00	645,405.00
2027				645,975.00	645,975.00
2028				649,055.00	649,055.00
2029				174,570.00	174,570.00
TOTAL	\$9,128,935.00	\$8,044,265.00	\$1,822,812.50	\$11,381,216.24	\$30,377,228.74

(1) School Bonds, Series 2002, dated December 15, 2002.

(2) School Bonds, Series 2003, dated February 1, 2003.

(3) Limited Tax School Bonds, Series 2006, dated December 1, 2006.

(4) Includes capitalized interest on the Bonds in the amount of \$475,317.74.

(5) Preliminary, subject to change.

ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2005 BONDS ⁽¹⁾ (DECEMBER 1)	SERIES 2009A BONDS ⁽²⁾ (DECEMBER 1)	SERIES 2009B BONDS ⁽³⁾ (DECEMBER 1)	TOTAL DEBT OUTSTANDING BONDS
2011	\$ 245,000	\$ 105,000 ⁽⁴⁾		\$ 350,000
2012	255,000	110,000		365,000
2013	270,000	110,000 ⁽⁴⁾		380,000
2014	280,000	115,000		395,000
2015	295,000	120,000 ⁽⁴⁾		415,000
2016	305,000	125,000		430,000
2017	320,000	130,000 ⁽⁴⁾		450,000
2018	330,000	135,000		465,000
2019	345,000	125,000 ⁽⁴⁾		470,000
2020	355,000	145,000	\$ 30,000 ⁽⁴⁾	530,000
2021	370,000		160,000 ⁽⁴⁾	1,145,000
2022	385,000		165,000 ⁽⁴⁾	1,190,000
2023	400,000		175,000	575,000
2024	420,000 ⁽⁴⁾		180,000 ⁽⁴⁾	600,000
2025	435,000		185,000 ⁽⁴⁾	620,000
2026			195,000	195,000
2027			205,000 ⁽⁴⁾	205,000
2028			210,000 ⁽⁴⁾	210,000
2029			220,000	220,000
TOTAL	\$5,010,000	\$1,220,000	\$1,725,000	\$7,955,000

- (1) General Obligation Bonds (Alternate Revenue Source), Series 2005, dated July 1, 2005.
(2) General Obligation School Bonds (Alternate Revenue Source), Series 2009A, dated July 8, 2009.
(3) Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B, dated July 8, 2009.
(4) Mandatory sinking fund payment.

OVERLAPPING GENERAL OBLIGATION BONDED DEBT
(As of February 18, 2011)

TAXING BODY	OUTSTANDING DEBT ⁽¹⁾	PERCENT	AMOUNT
Cook County	\$ 3,151,845,000	0.59%	\$ 18,467,383
Cook County Forest Preserve District	101,935,000	0.59%	597,261
Metropolitan Water Reclamation District	2,109,350,090	0.60%	12,614,397
Village of Burnham	430,000	72.52%	311,844
City of Calumet City	61,040,000	58.76%	35,865,718
Village of Lansing	16,945,000	93.41%	15,828,645
Calumet Memorial Park District	2,820,000	56.90%	1,604,625
School District Number 155	25,660,717	100.00%	25,660,717
School District Number 156	4,890,000	100.00%	4,890,000
School District Number 157	8,765,000	70.12%	6,146,172
School District Number 158	3,713,333	100.00%	3,713,333
School District Number 171	3,795,000	96.34%	3,655,952
Community College District No. 510	16,944,288	22.89%	3,878,125
TOTAL OVERLAPPING DEBT			\$133,234,173

Source: Cook County Clerk's Office

(1) Does not include Alternate Revenue Bonds.

SELECTED FINANCIAL INFORMATION

2009 Estimated Full Value of Taxable Property:	\$3,141,247,917
2009 Equalized Assessed Valuation of Taxable Property:	\$1,047,082,639
General Obligation Bonded Debt (including this issue):	\$ 21,875,000 ⁽¹⁾⁽²⁾
Other Direct General Obligation Debt:	\$ 324,954
Total Direct General Obligation Debt:	\$ 22,199,954 ⁽¹⁾
Percentage to Full Value of Taxable Property:	0.71% ⁽¹⁾
Per Capita:	\$ 365.44 ⁽¹⁾
Overlapping General Obligation Bonded Debt:	\$ 133,234,173
General Obligation Bonded Debt and Overlapping General Obligation Bonded Debt:	\$ 155,109,173 ⁽¹⁾
Percentage to Full Value of Taxable Property:	4.94% ⁽¹⁾
Per Capita:	\$ 2,553.28 ⁽¹⁾
Population Estimate:	60,749

(1) Preliminary, subject to change.

(2) Does not include Alternate Revenue Bonds which do not constitute debt of the District unless the taxes levied to pay such Alternate Revenue Bonds are extended.

STATUTORY DEBT LIMIT

	AMOUNT	% OF DEBT LIMIT
2009 Equalized Assessed Valuation	\$1,047,082,639	
Statutory Debt Limit @ 6.9%	72,248,702	100.00%
Bonded Debt Outstanding ⁽¹⁾	14,795,000	
Other Direct Debt	324,954	
Plus: The Bonds ⁽²⁾	<u>7,080,000</u>	
Total Debt Applicable to the Limit ⁽²⁾	22,199,954	30.73%
Remaining Debt Margin ⁽²⁾	\$ 50,048,748	69.27%

(1) Does not include Alternate Revenue Bonds which do not constitute debt of the District unless the taxes levied to pay such Alternate Revenue Bonds are extended.

(2) Preliminary, subject to change.

COMPOSITION OF EQUALIZED ASSESSED VALUATION

	2005	2006	2007	2008	2009	PERCENT 2008
By Property						
Real Estate					\$1,043,356,486 ⁽¹⁾	
Residential	\$556,235,716	\$586,814,917	\$624,750,722	\$677,296,998		68.05%
Farm	118,930	113,953	113,953	107,885		0.00%
Commercial	197,900,027	182,015,416	165,883,246	181,069,904		18.19%
Industrial	118,913,675	115,528,974	119,760,403	133,613,272		13.42%
Railroad	<u>2,114,414</u>	<u>2,413,669</u>	<u>2,845,672</u>	<u>3,221,345</u>	<u>3,726,153</u>	<u>0.32%</u>
Total EAV	\$875,282,762	\$886,886,929	\$913,353,996	\$995,309,404	\$1,047,082,639	

Source: Cook County Clerk's Office

(1) Breakdown by property type for Cook County for 2009 is not yet available.

TREND OF EQUALIZED ASSESSED VALUATION

LEVY YEAR	EQUALIZED ASSESSED VALUATION	% CHANGE IN EAV FROM PREVIOUS YEAR
2005	\$875,282,762	13.57% ⁽¹⁾
2006	886,886,929	1.33%
2007	913,353,996	2.98%
2008	995,309,404	8.97%
2009	1,047,082,639	5.20%

Source: Cook County Clerk's Office

⁽¹⁾ Based on the District's \$770,683,360 2004 EAV

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED*
2004/05	\$24,048,070	\$23,165,220	96.33%
2005/06	25,242,411	24,388,449	96.62%
2006/07	25,853,879	25,138,267	97.23%
2007/08	27,009,005	26,442,951	97.90%
2008/09	27,847,956	27,461,942	98.61%
2009/10	27,762,359	27,661,631	99.64%

Source: Cook County Treasurer's Office

* Represents gross taxes distributed to the District (prior to required refunds) from real estate taxes collected during each collection year. For the tax cycles represented herein, aggregate annual required refunds from gross taxes distributed to the District ranged from \$103,586 to \$926,435.

SCHOOL DISTRICT TAX RATES BY PURPOSE 2005-2009

(Per \$100 Equalized Assessed Valuation)

	2005	2006	2007	2008	2009
IMRF	\$0.0398	\$0.0409	\$0.0301	\$0.0258	\$0.0245
Social Security	0.0648	0.0666	0.0711	0.0773	0.0735
Liability Insurance	0.0568	0.0583	0.0438	0.0360	0.0342
Transportation	0.0483	0.0525	0.0629	0.0721	0.0783
Education	2.1033	2.1620	2.1727	2.0610	2.1024
Building	0.2615	0.2688	0.2736	0.2730	0.2597
Bond & Interest	0.2259	0.1692	0.2169	0.1988	0.1891
Working Cash	0.0341	0.0350	0.0356	0.0341	0.0324
Life Safety	0.0000	0.0000	0.0000	0.0000	0.0000
Special Education	0.0159	0.0173	0.0170	0.0170	0.0162
Limited Bonds	<u>0.0649</u>	<u>0.0842</u>	<u>0.0816</u>	<u>0.0751</u>	<u>0.0710</u>
Total	\$2.9153	\$2.9548	\$3.0053	\$2.8702	\$2.8813

Source: Cook County Clerk's Office

2005-2009 REPRESENTATIVE TOTAL TAX RATES*

TAXING AUTHORITY	2005	2006	2007	2008	2009
The District	\$2.916	\$2.955	\$3.005	\$2.871	\$2.882
The County	0.533	0.500	0.446	0.415	0.394
Cook County Forest Preserve District	0.060	0.057	0.053	0.051	0.049
Metropolitan Water Reclamation District	0.315	0.284	0.263	0.252	0.261
Suburban TB Sanitarium	0.005	0.005	0.000	0.000	0.000
Consolidated Elections	0.014	0.000	0.012	0.000	0.021
South Cook Co. Mosquito Abatement District	0.010	0.007	0.006	0.009	0.009
Thornton Township	0.360	0.374	0.372	0.358	0.367
Thornton Township General Assistance	0.088	0.092	0.092	0.089	0.091
Thornton Township Road & Bridge	0.015	0.016	0.016	0.016	0.017
Village of Lansing	1.055	1.051	1.023	0.972	1.124
Lan Oak Park District	0.275	0.280	0.310	0.292	0.292
Lansing Park Library Fund	0.344	0.354	0.353	0.335	0.345
School District Number 158	4.596	4.896	4.986	4.735	4.862
Community College District No. 510	<u>0.359</u>	<u>0.367</u>	<u>0.362</u>	<u>0.346</u>	<u>0.348</u>
TOTAL*	\$10.945	\$11.238	\$11.299	\$10.741	\$11.062

Source: Cook County Clerk's Office

*The total of such rates is the property tax rate paid by a typical resident living in the City of Calumet City, Cook County, in the District.

TEN LARGEST TAXPAYERS

<u>TAXPAYER NAME</u>	<u>PRODUCT OR SERVICE</u>	2009 EQUALIZED ASSESSED VALUE	PERCENT OF DISTRICT'S TOTAL EAV
Simon Property Group	Real estate property	\$ 48,730,082	4.65%
Sears D768 Tax B2 109A	Retail store	16,933,455	1.62%
KFS Landings LLC	Real estate property	16,001,288	1.53%
Wal Mart Stores	Retail store	11,117,488	1.06%
Cobalt Industrial Reit II	Real estate property	9,827,889	0.94%
Great Lakes WHSE	Storage	8,842,553	0.84%
Inland Real Estate Corp.	Real estate property	6,429,905	0.61%
Temperature Equipment Corp.	Mechanical contractors	6,414,257	0.61%
K Mart Corp. Property Tax	Retail store	5,710,004	0.55%
JC Penney Co.	Retail store	5,542,925	0.53%
		\$135,549,846	12.95%

Source: Cook County Clerk's Office

The above taxpayers represent 12.95% of the District's \$1,047,082,639 2009 EAV. Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed hold multiple parcels and it is possible that some parcels and their valuations have been overlooked.

RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue from retailers within the Municipalities. The table indicates the level of retail activity in the Municipalities.

YEAR ⁽¹⁾	VILLAGE OF BURNHAM STATE SALES TAX DISTRIBUTION ⁽²⁾	CITY OF CALUMET CITY STATE SALES TAX DISTRIBUTION ⁽²⁾	VILLAGE OF LANSING STATE SALES TAX DISTRIBUTION ⁽²⁾	VILLAGE OF LYNWOOD STATE SALES TAX DISTRIBUTION ⁽²⁾
2005	\$56,588	\$5,507,618	\$5,096,340	\$355,130
2006	56,161	5,756,160	5,195,551	369,414
2007	75,444	5,537,925	5,093,767	316,796
2008	76,796	5,023,383	4,834,907	262,973
2009	72,947	4,792,314	4,253,883	231,570
2010 ⁽³⁾	51,448	3,757,193	2,947,828	204,911

Source: Illinois Department of Revenue.

(1) Calendar year reports ending December 31.

(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Municipalities, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

(3) 3rd Quarter, 2010

CONSTRUCTION

The following chart indicates the estimated value of residential building permits issued in the Municipalities.

YEAR	VILLAGE OF BURNHAM ESTIMATED VALUE	CITY OF CALUMET CITY ESTIMATED VALUE	VILLAGE OF LANSING ESTIMATED VALUE	VILLAGE OF LYNWOOD ESTIMATED VALUE
2005	\$886,000	\$1,740,000	\$5,847,043	\$21,507,160
2006	708,800	1,033,000	1,640,512	11,148,800
2007	886,000	986,000	1,241,214	7,921,324
2008	354,400	278,100	425,882	7,872,260
2009	443,000	1,384,000	210,000	1,213,530
2010	0	0	0	6,426,483

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

SPECIFIED OWNER-OCCUPIED UNITS

According to the 2000 census, the District had 30,187 owner-occupied units with a median value of \$91,300, the Village of Burnham had 879 owner-occupied units with a median value of \$90,400, the City of Calumet City had 7,676 owner-occupied units with a median value of \$90,300, the Village of Lansing had 7,509 owner-occupied units with a median value of \$118,700 and the Village of Lynwood had 1,580 owner-occupied units with a median value of \$140,800. This compares to 816,532 owner-occupied units with a median value of \$157,700 for the County and 2,470,338 owner-occupied units with a median value of \$130,800 for the State of Illinois (the "State").

VALUE	VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	55	6.26%	306	3.99%	51	0.68%
\$50,000 to \$99,999	583	66.33%	4,728	61.59%	2,322	30.92%
\$100,000 to \$149,999	232	26.39%	2,380	31.01%	3,720	49.54%
\$150,000 to \$199,999	6	0.68%	240	3.13%	1,073	14.29%
\$200,000 to \$299,999	3	0.34%	9	0.12%	281	3.74%
\$300,000 to \$499,999	-	0.00%	9	0.12%	46	0.61%
\$500,000 to \$999,999	-	0.00%	-	0.00%	9	0.12%
\$1,000,000 or more	-	0.00%	4	0.05%	7	0.09%
Total	879	100.00%	7,676	100.00%	7,509	100.00%

VALUE	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	27	1.71%	15,576	1.91%	230,049	9.31%
\$50,000 to \$99,999	218	13.80%	141,600	17.34%	651,605	26.38%
\$100,000 to \$149,999	711	45.00%	218,621	26.77%	583,409	23.62%
\$150,000 to \$199,999	486	30.76%	184,050	22.54%	429,311	17.38%
\$200,000 to \$299,999	133	8.42%	147,478	18.06%	344,651	13.95%
\$300,000 to \$499,999	5	0.32%	74,446	9.12%	163,254	6.61%
\$500,000 to \$999,999	-	0.00%	28,249	3.46%	55,673	2.25%
\$1,000,000 or more	-	0.00%	6,512	0.80%	12,386	0.50%
Total	1,580	100.00%	816,532	100.00%	2,470,338	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

LARGEST EMPLOYERS

Below is a listing of the largest employers within or near the District area:

EMPLOYER	PRODUCT OR SERVICE	APPROXIMATE NUMBER OF EMPLOYEES
Silver Line Building Products, Corp. ⁽³⁾	Vinyl windows & patio doors	700
The District	School district	373
NB Coatings, Inc. ⁽³⁾	Plastic automotive coatings	350
ORC Protel, LLC ⁽³⁾	Inbound and outbound telemarketing services	250
Land O'Frost, Inc. ⁽³⁾	Corporate HQ & meat packaging & processing	250
	Corporate HQ & distributor of air conditioning, refrigeration & heating equipment	200
Temperature Equipment Corp. ⁽³⁾		200
Kickert School Bus Line, Inc. ⁽⁴⁾	School bus services	200
Oshkosh Specialty Vehicles, LLC ⁽²⁾	Company HQ & medical vehicle equipment	150
Tri-State Nursing & Rehabilitation Center ⁽³⁾	Nursing home	113
Hosley International ⁽⁴⁾	Home décor accessories importers	100
Hasse Construction Co., Inc. ⁽²⁾	General commercial, industrial & underground utilities contractor	100
Drenth Trucking, Inc., K. R. ⁽⁴⁾	Short distance trucking services, including commercial waste & garbage hauling	100
CSX Transportation, Inc. ⁽²⁾	Railroad transportation	96
Roman Decorating Products ⁽²⁾	Wall covering & laminating adhesives, pastes & accessories	90
Kay Mfg. Co. ⁽²⁾	Automotive machining job shop	80
Gateway Construction Co, Inc., Gateway Erectors Div. ⁽¹⁾	Structural steel erection & reinforced steel installation	75

Source: 2011 Illinois Manufacturers Directory, 2011 Illinois Services Directory and Development of Commerce and Economic Opportunity, except for District employee information which was provided by the District, except for the information regarding District employees which was provided by the District.

- (1) Located in the Village of Burnham
- (2) Located in the City of Calumet City
- (3) Located in the Village of Lansing
- (4) Located in the Village of Lynwood

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the Municipalities, the County and the State.

	VILLAGE OF BURNHAM (%)	CITY OF CALUMET CITY (%)	VILLAGE OF LANSING (%)	VILLAGE OF LYNWOOD (%)	COUNTY OF COOK (%)	STATE OF ILLINOIS (%)
2005 – Average	12.2	8.3	6.4	6.9	6.4	5.8
2006 – Average	9.3	7.1	5.2	5.2	4.8	4.6
2007 – Average	10.3	7.6	5.7	5.8	5.2	5.1
2008 – Average	12.9	9.1	7.1	7.3	6.5	6.4
2009 – Average	20.0	13.6	11.7	11.8	10.3	10.1
2010 – Average	N/A	13.9	11.5	N/A	10.5	10.4

Source: State of Illinois Department of Employment Security

EMPLOYMENT BY INDUSTRY

The following table shows employment by industry for the Municipalities, the County and the State as reported by the 2000 Census.

CLASSIFICATION	VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	-	0.00%	32	0.19%	24	0.18%
Construction	76	4.59%	844	4.97%	1,236	9.01%
Manufacturing	198	11.96%	2,261	13.31%	1,859	13.56%
Wholesale Trade	82	4.95%	478	2.81%	407	2.97%
Retail Trade	140	8.45%	1,860	10.95%	1,712	12.49%
Transportation, warehousing and utilities	195	11.78%	1,762	10.38%	1,124	8.20%
Information	65	3.93%	709	4.18%	382	2.79%
Finance, insurance and real estate	151	9.12%	1,691	9.96%	906	6.61%
Professional, scientific management administrative & waste management	173	10.45%	1,605	9.45%	1,174	8.56%
Educational, health & social services	350	21.14%	3,045	17.93%	2,627	19.16%
Arts, entertainment, recreations accommodations & food services	89	5.37%	930	5.48%	886	6.46%
Other Services	55	3.32%	810	4.77%	708	5.16%
Public Administration	82	4.95%	954	5.62%	667	4.86%
Total	1,656	100.00%	16,981	100.00%	13,712	100.00%

CLASSIFICATION	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	14	0.39%	2,356	0.10%	66,481	1.14%
Construction	173	4.81%	119,355	4.93%	334,176	5.73%
Manufacturing	337	9.37%	342,422	14.14%	931,162	15.96%
Wholesale Trade	122	3.39%	92,706	3.83%	222,990	3.82%
Retail Trade	370	10.29%	244,344	10.09%	643,472	11.03%
Transportation, warehousing and utilities	386	10.73%	162,465	6.71%	352,193	6.04%
Information	103	2.86%	82,835	3.42%	172,629	2.96%
Finance, insurance and real estate	446	12.40%	219,831	9.08%	462,169	7.92%
Professional, scientific management administrative & waste management	254	7.06%	306,482	12.66%	590,913	10.13%
Educational, health & social services	822	22.85%	454,951	18.79%	1,131,987	19.41%
Arts, entertainment, recreations accommodations & food services	190	5.28%	179,592	7.42%	417,406	7.16%
Other Services	253	7.03%	120,337	4.97%	275,901	4.73%
Public Administration	127	3.53%	93,611	3.87%	231,706	3.97%
Total	3,597	100.00%	2,421,287	100.00%	5,833,185	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

EMPLOYMENT BY OCCUPATION

The following table shows employment by occupation for the Municipalities, the County and the State.

CLASSIFICATION	VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	397	23.97%	4,179	24.61%	4,093	29.85%
Service occupations	276	16.67%	2,383	14.03%	1,820	13.27%
Sales & office occupations	498	30.07%	5,552	32.70%	4,007	29.22%
Farming, forestry & fishing occupations	4	0.24%	13	0.08%	8	0.06%
Construction, extraction & maintenance occupation	173	10.45%	1,512	8.90%	1,727	12.59%
Production, transportation & material moving occupations	<u>308</u>	<u>18.60%</u>	<u>3,342</u>	<u>19.68%</u>	<u>2,057</u>	<u>15.00%</u>
Total	1,656	100.00%	16,981	100.00%	13,712	100.00%

CLASSIFICATION	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	1,116	31.03%	852,442	35.21%	1,993,671	34.18%
Service occupations	487	13.54%	339,554	14.02%	813,479	13.95%
Sales & office occupations	1,109	30.83%	690,023	28.50%	1,609,939	27.60%
Farming, forestry & fishing occupations	-	0.00%	1,942	0.08%	17,862	0.31%
Construction, extraction & maintenance occupation	365	10.15%	171,534	7.08%	480,418	8.24%
Production, transportation & material moving occupations	<u>520</u>	<u>14.46%</u>	<u>365,792</u>	<u>15.11%</u>	<u>917,816</u>	<u>15.73%</u>
Total	3,597	100.00%	2,421,287	100.00%	5,833,185	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

MEDIAN HOUSEHOLD INCOME

According to the 2000 Census, the District had a median household income of \$40,620, the Village of Burnham had a median household income of \$39,053, the City of Calumet City had a median household income of \$38,902, the Village of Lansing had a median household income of \$47,554 and the Village of Lynwood had a median household income of \$56,554. This compares to \$45,922 for the County and \$46,590 for the State. The following table represents the distribution of household incomes for the Municipalities, the County and the State at the time of the 2000 U.S. Census.

	VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	89	6.25%	1,475	9.74%	562	4.96%
\$10,000 to \$14,999	126	8.85%	901	5.95%	624	5.51%
\$15,000 to \$24,999	175	12.29%	2,062	13.62%	1,307	11.53%
\$25,000 to \$34,999	223	15.66%	2,290	15.12%	1,465	12.93%
\$35,000 to \$49,999	283	19.87%	2,895	19.12%	1,958	17.28%
\$50,000 to \$74,999	308	21.63%	3,075	20.31%	2,839	25.05%
\$75,000 to \$99,999	118	8.29%	1,564	10.33%	1,514	13.36%
\$100,000 to \$149,999	90	6.32%	697	4.60%	774	6.83%
\$150,000 to \$199,999	1	0.07%	110	0.73%	167	1.47%
\$200,000 or more	<u>11</u>	<u>0.77%</u>	<u>72</u>	<u>0.48%</u>	<u>123</u>	<u>1.09%</u>
Total	1,424	100.00%	15,141	100.00%	11,333	100.00%

	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	168	6.35%	192,689	10.90%	383,299	8.35%
\$10,000 to \$14,999	82	3.10%	107,043	6.05%	252,485	5.50%
\$15,000 to \$24,999	176	6.65%	25,908	1.47%	517,812	11.27%
\$25,000 to \$34,999	300	11.33%	230,787	13.05%	545,962	11.89%
\$35,000 to \$49,999	429	16.21%	316,575	17.91%	745,180	16.23%
\$50,000 to \$74,999	675	25.50%	390,779	22.10%	952,940	20.75%
\$75,000 to \$99,999	403	15.22%	222,453	12.58%	531,760	11.58%
\$100,000 to \$149,999	341	12.88%	181,938	10.29%	415,348	9.04%
\$150,000 to \$199,999	51	1.93%	53,986	3.05%	119,056	2.59%
\$200,000 or more	<u>22</u>	<u>0.83%</u>	<u>45,922</u>	<u>2.60%</u>	<u>128,898</u>	<u>2.81%</u>
Total	2,647	100.00%	1,768,080	100.00%	4,592,740	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

PER CAPITA INCOME

THE DISTRICT	VILLAGE OF BURNHAM	CITY OF CALUMET CITY	VILLAGE OF LANSING
\$17,359	\$16,747	\$18,123	\$22,547
	VILLAGE OF LYNWOOD	COUNTY OF COOK	STATE OF ILLINOIS
	\$22,650	\$23,227	\$23,104

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2010, contained in Appendix C (the "Audit"), including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek & Co., Inc., Calumet City, Illinois (the "Auditor"), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance, of the District.

A summary of the District's recent financial history is provided in Exhibit A and Exhibit B to this Official Statement. The tables in these Exhibits contain information from the annual audits of the District but do not purport to be the complete audits, copies of which are available upon request from the District. See Appendix C for the District's 2010 fiscal year audit.

WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the hereinafter defined Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed \$.05 per hundred dollars of equalized assessed valuation (the "Working Cash Fund Tax"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in

whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department of Revenue of the State of Illinois, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished. See Exhibit A for the District's Working Cash Fund balances for the years ending June 30, 2006-2010.

SCHOOL DISTRICT FINANCIAL PROFILE

Since the Spring of 2003, the Illinois State Board of Education ("ISBE") has utilized a new system for assessing a school district's financial health. The new financial assessment system is referred to as the "*School District Financial Profile*" which replaces the Financial Watch List and Financial Assurance and Accountability System (FAAS). The new system identifies those school districts which are moving into financial distress.

The new system uses five indicators which are individually scored and weighted in order to arrive at a composite district financial profile. The indicators are as follows: fund balance to revenue ratio; expenditures to revenue ratio; days cash on hand; percent of short-term borrowing ability remaining; and percent of long-term debt margin remaining.

Each indicator is calculated and the result is placed into a category of a four, three, two or one, with four being the highest and best category possible. Each indicator is weighted as follows:

Fund balance to revenue ratio	35%
Expenditures to revenue ratio	35%
Days cash on hand	10%
Percent of short-term borrowing ability remaining	10%
Percent of long-term debt margin remaining	10%

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition.* A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.
- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.
- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

The District's overall score for 2010 was 3.80 thus placing the District in the Financial Recognition category. The District's overall scores in years 2009 and 2008 were 3.00 and 3.80, respectively.

GENERAL AND SUPPLEMENTARY STATE AID

General State financial aid ("*General State Aid*") for Illinois school districts is computed beginning with the fiscal year commencing July 1. General State Aid makes up the difference between the available local resources per pupil (the "*Available Local Resources*") and a

foundation level (the "*Foundation Level*"). The Foundation Level is a figure established annually by the State's budget representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil determined in accordance with the average daily attendance, as such term is defined in the Illinois School Code. The following are the Foundation Levels for the most recent five school years:

SCHOOL YEAR	FOUNDATION AMOUNT
2006/2007	\$5,334
2007/2008	5,734
2008/2009	5,959
2009/2010	6,119
2010/2011	6,119

A district's Available Local Resources are determined by multiplying equalized assessed valuation by the calculation tax rate, which is established by statute. Currently, the calculation tax rate is 3.00% for unit districts, 2.30% for elementary districts and 1.05% for high school districts. The product is added to revenue from the corporate personal property replacement tax, and the total is divided by the best three months average daily pupil attendance to arrive at the district's Available Local Resources. For districts subject to the hereinafter defined Limitation Law, Available Local Resources may be limited by such districts' extension limitation ratio, calculated in accordance with the Illinois School Code.

General State Aid makes up the difference between the Foundation Level and the Available Local Resources multiplied by the Average Daily Attendance (as defined in 105 ILCS 5/18-8.05(C)) ("*ADA*"). ADA is calculated using data from the year immediately preceding the school year for which General State Aid is being calculated. For any district with Available Local Resources of less than 93 percent of the Foundation Level, the entire deficiency in Available Local Resources as compared to the Foundation Level is awarded in General State Aid. Where Available Local Resources represent 93 to 175 percent of the foundation amount, State Aid is reduced on a sliding scale. Where a district has Available Local Resources representing 175 percent or more of the Foundation Level, the district receives a flat \$218 per ADA.

Other factors important in determining a school district's aid include, but are not limited to, the following:

1. any applicable reductions in a district's EAV;
2. the number of special need students in a district;
3. whether or not the district participates in a tax abatement or tax increment allocation program under the Real Property Tax Increment Allocation Redevelopment Act;

4. the amount of money the district receives as a replacement for taxes previously received from the corporate personal property tax;
5. the number of days the schools of the district are operating with students in attendance;
6. whether or not kindergarten students attend for full day or one-half day sessions;
7. whether the schools in the district are recognized by the State Board of Education as meeting state-required standards for recognition; and
8. changes in enrollment.

In addition to General State Aid, districts with specified levels or concentrations of pupils from low-income households are eligible to receive supplemental general State aid financial grants ("*Supplemental General State Aid*"). Supplemental General State Aid is distributed to districts pursuant to a statutory formula based upon the number of low-income pupils in the district. The low-income pupil count is determined by the Department of Human Services based on the number of pupils eligible for at least one of a variety of low-income programs as of July 1 of the immediately preceding fiscal year. The amount of Supplemental General State Aid received by a district increases as the ratio of low-income pupils to the ADA increases.

Finally, districts may be eligible for supplementary State aid, known as "*Hold Harmless Grants*," if the total aid received as General State Aid or Supplemental General State Aid in any school year is less than the General State Aid entitlement such district received for the 1997-98 school year. However, in fiscal year 2010, the appropriation for Hold Harmless Grants was insufficient to cover all entitlements, necessitating proration among the entitled districts. For fiscal year 2011, the appropriation for Hold Harmless Grants has been set at \$0.

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the General State Aid formula cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

See Exhibit B for a summary of the District's general fund revenue sources.

SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in 2011.

DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Cook County, Illinois. There can be no assurance that the procedures described herein will not change.

REAL PROPERTY ASSESSMENT

The County Assessor (the "*Assessor*") is responsible for the assessment of all taxable real property within Cook County (the "*County*"), including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the "*Department of Revenue*"). For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the "*South Tri*"), north and northwest suburbs (the "*North Tri*"), and the City of Chicago (the "*City Tri*"). The District is located in the South Tri and was reassessed for the 2008 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage for tax year 2009, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "*Assessed Valuation*") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of

PTAB to either the Circuit Court of Cook County (the "*Circuit Court*") or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

EQUALIZATION

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (the "*Equalization Factor*"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State of Illinois (the "*State*"). Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

<u>TAX LEVY YEAR</u>	<u>EQUALIZATION FACTOR</u>
2000	2.2235
2001	2.3098
2002	2.4689
2003	2.4598
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "*EAV*") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department of

Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "*Assessment Base*").

EXEMPTIONS

The Illinois Property Tax Code, as amended (the "*Property Tax Code*"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for assessment year 2009 and thereafter.

The Alternative General Homestead Exemption limits EAV increases for homeowners (who also reside on the property as their principal place of residence) to 7% a year, up to a certain maximum dollar amount each year as defined by statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property's taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment year 2009, \$16,000 for assessment year 2010 and \$12,000 for assessment year 2011. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment years 2009 and 2010, \$16,000 for assessment year 2011 and \$12,000 for assessment year 2012. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed \$26,000 for assessment year 2009, \$20,000 for assessment year 2010 and 2011 and \$12,000 for assessment year 2012.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of \$100,000 or less ("*Qualified Homestead Property*"). If the taxpayer's annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to \$75,000 per year, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The

maximum exemption is \$4,000. Beginning in tax year 2010, County taxpayers seeking to claim this exemption must reapply for the exemption on an annual basis.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of \$55,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (i) the current EAV of the residence and (ii) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans' Exemption exempts up to \$70,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption of (i) \$5,000 to those veterans with a service-connected disability of 70% (75% for exemptions granted from 2007 to 2009) and (ii) \$2,500 to those veterans with a service-connected disability of less than 70% (75% for exemptions granted from 2007 to 2009), but at least 50%.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, or the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time homestead exemption of \$5,000.

Finally, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

TAX LEVY

As part of the annual budgetary process of governmental units (the "*Units*") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law (the "*Limitation Law*"). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

PROPERTY TAX EXTENSION LIMITATION LAW

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in taxing Districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The District has the authority to levy taxes for many different purposes. See "Financial Information and Economic Characteristics of the District - School District Tax Rates by Purpose 2005-2009." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing Districts (such as the District) have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited bonds (such as the Bonds) in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "THE BONDS—Security" herein.

EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation

and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

COLLECTIONS

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. However, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

<u>TAX LEVY YEAR</u>	<u>SECOND INSTALLMENT PENALTY DATE</u>
1999	October 2, 2000
2000	November 2, 2001
2001	November 1, 2002
2002	October 1, 2003
2003	November 15, 2004
2004	November 1, 2005
2005	September 1, 2006
2006	December 3, 2007
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing District to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

BOND RATING

Standard & Poor's Ratings Service ("S&P") has assigned its municipal bond rating of "AA-" (stable outlook) to the Bonds. This rating reflects only the views of such organization and any explanation of the significance of such rating may only be obtained from the rating agency. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P by the District. There is no assurance that the ratings will be maintained for any given period of time or that it may not be changed by S&P if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "*Issue Price*") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "*OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "*Service*") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

RETIREMENT PLANS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in the Teachers' Retirement System of the State of Illinois ("TRS"). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers outside the City of Chicago.

The Illinois Pension Code sets the benefit provisions of TRS, which can only be amended by the Illinois General Assembly. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The report may be viewed at TRS's website as follows: <http://trs.illinois.gov/subsections/pubs/publications.htm>.

See Note 10 to the District's Audited Financial Statement for the fiscal year ended June 30, 2010, attached hereto as Appendix A, for a more complete discussion.

ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in another defined benefit pension plan, the Illinois Municipal Retirement Fund ("IMRF"). IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code sets the benefit provisions of IMRF, which can only be amended by the Illinois General Assembly.

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be viewed at IMRF's website as follows: http://www.imrf.org/pubs/annual_reports/annual_rpts.htm.

See Note 10 to the District's Audited Financial Statement for the fiscal year ended June 30, 2010, attached hereto as Appendix A, for a more complete discussion.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "*MSRB*") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Exchange Act. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth below in "APPENDIX B—Continuing Disclosure Undertaking."

The District did not file annual financial information or audited financial statements within the times prescribed by previous continuing disclosure undertakings for its fiscal years ending June 30, 2009, and June 30, 2010. The District will be in compliance with the requirements of those previous continuing disclosure undertakings prior to the pricing of the Bonds and has taken steps to assure future compliance.

A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "APPENDIX B—Continuing Disclosure Undertaking." The District must report any failure to comply with the Undertaking must be reported in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Bond Counsel who has been retained by, and acts as, Bond Counsel to the District. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the District, reviewed only those sections of the Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of interest on the Bonds and the "bank-qualified" status of the Bonds. This review was undertaken solely at the request of the District and did not include any

obligation to establish or confirm factual matters set forth herein. Chapman and Cutler LLP, Chicago, Illinois will also serve as Disclosure Counsel to the District.

NO LITIGATION

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the "*Agreement*") between the District and BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Underwriter*"), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$ _____ (consisting of the original principal amount of the Bonds of \$ _____, plus original issue premium of \$ _____ and less an Underwriter's discount of \$ _____). The Underwriter intends to reoffer the Bonds at an average price of ____% of the principal amount of the Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

BMO Capital Markets is the trade name for certain capital markets and investment banking services of Bank of Montreal and its subsidiaries, including BMO Capital Markets GKST Inc. which is a direct, wholly-owned subsidiary of Harris Financial Corp., which is itself a wholly-owned subsidiary of Bank of Montreal.

AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of the adoption of the Bond Resolution, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/

President, Board of Education
Township High School District Number 215,
Cook County, Illinois

April __, 2011

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the general fund revenue sources of the District.

EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, 2006-2010

	EDUCATIONAL FUND	OPERATION & MAINTENANCE	WORKING CASH	OTHER GOVERNMENTAL FUNDS ⁽¹⁾	MEMORANDUM TOTAL
Beginning Balance, July 1, 2005	\$ 5,160,654	\$ 593,863	\$ 446,772	\$ 1,952,114	\$ 8,153,403
Revenues	33,583,829	4,237,798	335,804	13,902,994	52,060,425
Expenditures	30,830,929	3,405,660	0	18,451,956	52,688,545
Transfers	0	0	0	0	0
Other	0	0	0	6,011,371	6,011,371
Net Changes in Fund Balance	<u>2,752,900</u>	<u>832,138</u>	<u>335,804</u>	<u>1,462,409</u>	<u>5,383,251</u>
Ending Balance June 30, 2006	\$ 7,913,554	\$ 1,426,001	\$ 782,576	\$ 3,414,523	\$13,536,654
Beginning Balance, July 1, 2006	\$ 7,913,554	\$ 1,426,001	\$ 782,576	\$ 3,414,523	\$13,536,654
Revenues	30,439,277	3,816,037	338,452	4,335,344	38,929,110
Expenditures	33,211,730	4,186,208	0	5,404,498	42,802,436
Transfers	0	4,000,000	(4,000,000)	0	0
Other	0	0	4,004,443	0	4,004,443
Net Changes in Fund Balance	<u>(2,772,453)</u>	<u>3,629,829</u>	<u>342,895</u>	<u>(1,069,154)</u>	<u>131,117</u>
Ending Balance June 30, 2007	\$ 5,141,101	\$ 5,055,830	\$1,125,471	\$ 2,345,369	\$13,667,771
Beginning Balance, July 1, 2007	\$ 5,141,101	\$ 5,055,830	\$1,125,471	\$ 2,345,369	\$13,667,771
Revenues	36,264,077	4,374,546	382,358	4,933,329	45,954,310
Expenditures	34,267,537	4,948,639	0	5,314,745	44,530,921
Transfers	0	(333,008)	0	333,008	0
Other	0	0	0	0	0
Net Changes in Fund Balance	<u>1,996,540</u>	<u>(907,101)</u>	<u>382,358</u>	<u>(48,408)</u>	<u>1,423,389</u>
Ending Balance June 30, 2008	\$ 7,137,641	\$ 4,148,729	\$1,507,829	\$ 2,296,961	\$15,091,160
Beginning Balance, July 1, 2008	\$ 7,137,641	\$ 4,148,729	\$1,507,829	\$ 2,296,961	\$15,091,160
Revenues	37,926,722	4,297,716	356,603	6,266,175	48,847,216
Expenditures	38,105,834	7,046,348	0	6,496,882	51,649,064
Transfers	0	0	0	0	0
Other	0	0	0	0	0
Net Changes in Fund Balance	<u>(179,112)</u>	<u>(2,748,632)</u>	<u>356,603</u>	<u>(230,707)</u>	<u>(2,801,848)</u>
Reallocate Tort Immunity	(109,955)	0	0	109,955	0
Ending Balance June 30, 2009	\$ 6,848,574	\$ 1,400,097	\$1,864,432	\$ 2,066,254	\$12,289,312
Beginning Balance, July 1, 2009	\$ 6,848,574	\$ 1,400,097	\$1,864,432	\$ 2,066,254	\$12,289,312
Revenues	42,934,710	4,213,904	347,263	7,097,751	54,593,628
Expenditures	40,158,692	3,901,344	0	9,535,705	53,595,741
Transfers	0	(111,579)	0	111,579	0
Other	0	0	0	3,000,444	3,000,444
Net Changes in Fund Balance	<u>2,776,018</u>	<u>200,981</u>	<u>347,263</u>	<u>674,069</u>	<u>3,998,331</u>
Other Changes in Fund Balance	(71,104)	71,104	0	0	0
Ending Balance June 30, 2010	\$ 9,553,488	\$ 1,672,182	\$2,211,695	\$ 2,740,323	\$16,287,643

Source: The audited financial statements of the District for the years ending June 30, 2006 - June 30, 2010. Such financial statements are prepared on the modified accrual basis of accounting.

(1) Includes the Transportation, IMRF, Bond & Interest, Fire Prevention & Safety and Tort Immunity Funds.

**EXHIBIT B — GENERAL FUND REVENUE SOURCES,
FISCAL YEARS ENDING JUNE 30, 2006-2010**

	<u>YEAR ENDED JUNE 30, 2006</u>	<u>YEAR ENDED JUNE 30, 2007</u>	<u>YEAR ENDED JUNE 30, 2008</u>	<u>YEAR ENDED JUNE 30, 2009</u>	<u>YEAR ENDED JUNE 30, 2010</u>
Local Sources	69.50%	59.69%	59.07%	57.03%	53.69%
State Sources	26.94%	35.78%	36.56%	31.65%	33.87%
Federal Sources	<u>3.57%</u>	<u>4.53%</u>	<u>4.37%</u>	<u>11.32%</u>	<u>12.44%</u>
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The audited financial statements of the District for the years ending June 30, 2006-June 30, 2010. Such financial statements are prepared on the modified accrual basis of accounting.

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation Limited School Bonds, Series 2011 (the "*Bonds*"), to the amount of \$_____, dated May __, 2011, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2013	\$	%
2014		%
2015		%
2016		%
2017		%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%
2026		%
2027		%
2028		%
2029		%
2030		%

the Bonds due on or after December 1, 20__, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, are payable from any funds of the District legally available

for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX B

CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this "*Agreement*") is executed and delivered by Township High School District Number 215, Cook County, Illinois (the "*District*"), in connection with the issuance of \$_____ General Obligation Limited School Bonds, Series 2011 (the "*Bonds*"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 26th day of April, 2011 (the "*Resolution*").

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"*Annual Financial Information*" means information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

THE BONDS—Debt Service Extension Base Availability after Issuance of the Bonds

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS

- Summary of Outstanding Debt
- Direct General Obligation Bonded Debt (Principal Only)
- Direct General Obligation Bonded Debt (Principal and Interest)
- Alternate Revenue Bonds (Principal Only)
- Selected Financial Information (only as it relates to direct debt)
- Statutory Debt Limit
- Composition of District Equalized Assessed Valuation
- Trend of District Equalized Assessed Valuation
- Taxes Extended and Collected
- School District Tax Rates by Purpose

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit B—General Fund Revenue Sources

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the standards and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated April __, 2011, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The District will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32

requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and all other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

- (a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 215, COOK COUNTY, ILLINOIS

By _____
President, Board of Education

Date: May __, 2011

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information if not previously, filed as described below. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with the modified accrual basis of accounting. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III
CUSIP NUMBERS**

YEAR OF MATURITY	CUSIP NUMBER (215651)
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The audited financial statements of the District for the fiscal year ended June 30, 2010, contained in Appendix A (the "*Audit*"), including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek & Co., Inc., Calumet City, Illinois (the "*Auditor*"), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance of the District.

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THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL

DISTRICT NO. 215, COOK COUNTY, ILLINOIS

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

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John Kasperek Co., Inc.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Education
Thornton Fractional Township High School District No. 215
Calumet City, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Thornton Fractional Township High School District No. 215's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2010, on our consideration of Thornton Fractional Township High School District No. 215's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Summary of Funding Progress relative to the Illinois Municipal Retirement Fund and Post Retirement Medical Plan are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit or express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Thornton Fractional Township High School District No. 215's basic financial statements. The accompanying budgetary comparison schedules listed as Required Supplementary Information in the table of contents are supplementary information required by the Governmental Accounting Standards Board and the accompanying schedules listed as Other Supplementary Information in the table of contents are presented for purposes of additional analysis. Such information is not a required part of the basic financial statements of Thornton Fractional Township High School District No. 215; however, it has been subjected to the auditing procedures applied in the audit of the basic financial statements referred to above and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Governmental Accounting Standards Board has determined that a management's discussion and analysis is necessary to supplement, although not required to be part of, the basic financial statements. Thornton Fractional Township High School District No. 215 has not presented this supplementary information.

John Kaspruk Co, Inc

December 15, 2010

John Kasperek Co., Inc.

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Education
Thornton Fractional Township High School District No. 215
Calumet City, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2010, which collectively comprise Thornton Fractional Township High School District No. 215's basic financial statements and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Thornton Fractional Township High School District No. 215's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Thornton Fractional Township High School District No. 215's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Thornton Fractional Township High School District No. 215's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thornton Fractional Township High School District No. 215's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective for our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2010-2.

We noted certain matters that we reported to management of Thornton Fractional Township High School District No. 215 in a separate letter dated December 1, 2010.

Thornton Fractional Township High School District No. 215's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Thornton Fractional Township High School District No. 215's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Education, others within the entity, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

John Kasperek Co, Inc

December 15, 2010

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
<u>ASSETS</u>	
Cash/investments - pooled accounts	\$ 14,330,891
Cash at district	51,584
Property taxes receivable, net	15,097,422
Due from other governments	3,854,591
Other receivables	93,299
Accrued interest receivable	32,840
Other current assets	1,140
Capital assets	
Land	560,301
Construction-in-progress	2,745,791
Depreciable capital assets, net	48,452,742
Total capital assets, net of depreciation	51,758,834
TOTAL ASSETS	85,220,601
<u>LIABILITIES</u>	
Accounts payable	\$ 911,730
Accrued payroll and related items	164,309
Deferred revenue	14,890,740
Other current liabilities	10,000
Accrued interest payable	96,851
Long-term liabilities	
Portion due or payable within one year	
Bonds and other long-term debt	1,776,595
Accrued compensated absences	36,233
Portions due or payable after one year	
Bonds and other long-term debt	22,940,349
Accrued compensated absences	166,097
TOTAL LIABILITIES	40,992,904
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	27,041,890
Restricted for	
Special Education	-
Tort immunity	33,653
Debt service	1,068,822
Capital projects	266,351
Unrestricted	15,816,981
TOTAL NET ASSETS	\$ 44,227,697

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction				
Regular instruction	\$ 14,743,394	\$ 1,037,512	\$ 3,461,278	\$ (10,244,604)
Special education instruction	2,553,184	-	3,065,778	512,594
Other instruction	4,109,032	63,831	247,593	(3,797,608)
State retirement contribution	4,297,957	-	4,297,957	-
	<u>25,703,567</u>	<u>1,101,343</u>	<u>11,072,606</u>	<u>(13,529,618)</u>
Support services				
Pupil services	3,050,674	-	258,698	(2,791,976)
Instructional staff services	1,185,152	-	-	(1,185,152)
General administration services	1,520,651	-	-	(1,520,651)
School administration services	1,519,947	-	-	(1,519,947)
Business services	430,223	-	-	(430,223)
Facilities acquisition and construction services	1,728,735	-	-	(1,728,735)
Operation & maintenance of plant services	4,369,469	116,830	-	(4,252,639)
Pupil transportation services	2,574,708	255,712	1,538,037	(780,959)
Food services	1,308,193	242,283	855,354	(210,556)
Central & other support services	837,870	-	-	(837,870)
State retirement contribution	707,287	-	707,287	-
	<u>19,232,909</u>	<u>614,825</u>	<u>3,359,376</u>	<u>(15,258,708)</u>
Community services	18,891	-	-	(18,891)
Nonprogrammed charges	3,826,499	-	-	(3,826,499)
Interest and fees	1,128,607	-	-	(1,128,607)
Tort immunity	380,213	-	-	(380,213)
Depreciation - unallocated *	385,609	-	-	(385,609)
Total Governmental activities	<u>\$ 50,676,295</u>	<u>\$ 1,716,168</u>	<u>\$ 14,431,982</u>	<u>(34,528,145)</u>

General revenues

Taxes:	
Property taxes, levied for current operating purposes	25,350,678
Property taxes, levied for debt service	2,590,260
Corporate personal property replacement taxes	833,256
General state aid	9,930,855
Investment earnings	175,434
Change in net assets	4,352,338
Net assets - beginning	39,875,359
Net assets - ending	<u>\$ 44,227,697</u>

* This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note 3.

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	Educational	Operations and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash/investments - pooled accounts	\$ 8,300,360	\$ 1,686,501	\$ 4,344,030	\$ 14,330,891
Cash at district	51,584	-	-	51,584
Investments	-	-	-	-
Property taxes receivable, net	11,101,927	1,360,697	2,634,798	15,097,422
Due from other governments	2,365,833	124,739	1,364,019	3,854,591
Other receivables	73,342	1,318	18,639	93,299
Accrued interest on investments	19,018	3,865	9,957	32,840
Other current assets	1,140	-	-	1,140
TOTAL ASSETS	\$ 21,913,204	\$ 3,177,120	\$ 8,371,443	\$ 33,461,767
<u>LIABILITIES</u>				
Accounts payable	\$ 661,560	\$ 87,444	\$ 162,726	\$ 911,730
Accrued payroll and related liabilities	88,568	75,741	-	164,309
Deferred revenue	11,609,588	1,341,753	3,136,744	16,088,085
Due to other governments	-	-	-	-
Other current liabilities	-	-	10,000	10,000
TOTAL LIABILITIES	12,359,716	1,504,938	3,309,470	17,174,124
<u>FUND BALANCES</u>				
Unreserved	9,553,488	-	-	9,553,488
Unreserved, reported in nonmajor:				
Special revenue funds	-	1,672,182	3,629,949	5,302,131
Debt service funds	-	-	1,165,673	1,165,673
Capital project fund	-	-	266,351	266,351
TOTAL FUND BALANCES	9,553,488	1,672,182	5,061,973	16,287,643
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,913,204	\$ 3,177,120	\$ 8,371,443	\$ 33,461,767

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances for governmental funds (page 7)		\$ 16,287,643
<p>Amounts reported for governmental activities in the statement of net assets (page 5) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		51,758,834
Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenue in the funds:		
Restricted state aid (special education and transportation claims)		1,197,345
Accrued interest payable on long-term liabilities is not currently due and therefore is not reported in the funds.		(96,851)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bonds payable	(24,465,000)	
Capital lease obligations	(251,944)	
Accrued compensated absences	(202,330)	(24,919,274)
NET ASSETS (page 5)		<u>\$ 44,227,697</u>

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Educational	Operations and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 20,385,927	\$ 2,590,288	\$ 4,964,723	\$ 27,940,938
Personal property replacement taxes	-	763,256	70,000	833,256
Charges for services	1,343,626	116,830	255,712	1,716,168
Investment earnings	90,278	23,530	61,182	174,990
Unrestricted state aid	8,485,855	720,000	725,000	9,930,855
Restricted state aid	1,758,596	-	1,334,031	3,092,627
State retirement contributions	5,005,244	-	-	5,005,244
Restricted federal aid	5,865,184	-	34,366	5,899,550
TOTAL REVENUES	42,934,710	4,213,904	7,445,014	54,593,628
EXPENDITURES				
Current operating				
Instruction				
Regular instruction	14,584,509	-	192,946	14,777,455
Special education instruction	2,485,431	-	67,753	2,553,184
Other instruction	3,975,604	-	81,098	4,056,702
State retirement contributions	4,297,957	-	-	4,297,957
Support services				
Pupil services	2,922,525	-	128,149	3,050,674
Instructional staff services	1,174,360	-	11,831	1,186,191
General administration services	1,467,356	-	43,471	1,510,827
School administration services	1,425,089	-	91,394	1,516,483
Business services	380,697	-	48,662	429,359
Operations & maintenance				
of plant services	257,793	3,821,738	292,041	4,371,572
Pupil transportation services	-	-	2,375,094	2,375,094
Food services	1,208,549	-	75,582	1,284,131
Central and other support services	807,482	-	35,715	843,197
State retirement contributions	707,287	-	-	707,287
Community services	18,891	-	-	18,891
Nonprogrammed charges	3,826,499	-	-	3,826,499
Tort immunity	-	-	380,213	380,213
Debt service	-	-	2,710,253	2,710,253
Capital outlay	618,663	79,606	3,001,503	3,699,772
TOTAL EXPENDITURES	40,158,692	3,901,344	9,535,705	53,595,741
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,776,018	312,560	(2,090,691)	997,887
OTHER FINANCING SOURCES (USES)				
Permanent transfers	-	(111,579)	111,579	-
Proceeds from sale of bonds	-	-	3,000,000	3,000,000
Premium on bonds sold	-	-	57,999	57,999
Bond issuance costs	-	-	(57,555)	(57,555)
TOTAL OTHER FINANCING SOURCES (USES)	-	(111,579)	3,112,023	3,000,444
NET CHANGE IN FUND BALANCE	2,776,018	200,981	1,021,332	3,998,331
FUND BALANCES - Beginning of the year	6,848,574	1,400,097	4,040,641	12,289,312
Other changes in fund balance	(71,104)	71,104	-	-
FUND BALANCES - End of year	\$ 9,553,488	\$ 1,672,182	\$ 5,061,973	\$ 16,287,643

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds (page 9) \$ 3,998,331

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. A difference results by the amount by which depreciation expense differs from capital outlay in the period:

Capital outlay reported in governmental fund statements	\$ 3,699,772	
Depreciation expense reported in the statement of activities	(2,138,406)	
Net adjustment		1,561,366

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal on long-term debt is an expenditure in the government funds but reduces the liability in the statement of net assets.

Debt issued:		
Bonds issued	(3,000,000)	
Capital lease	(251,944)	
Repayments of debt	1,595,000	
Total adjustment		(1,656,944)

Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized for transactions that do not meet the available criterion for recognition in the current period. In the statement of activities, however, which is presented on the accrual basis, revenues are reported regardless of when they are collected. This adjustment combines the net change of the following revenues:

Restricted state aid	434,561	
Total adjustment		434,561

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net change of the following balances:

Accrued compensated absences	28,378	
Accrued interest on long-term liabilities	(13,354)	
Combined adjustment		15,024

Change in net assets of governmental activities (page 6) \$ 4,352,338

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and investments	<u>\$ 241,107</u>
<u>LIABILITIES</u>	
Due to activity fund organizations	<u>\$ 241,107</u>

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

Thornton Fractional Township High School District No. 215 (the "District") is located in Southern Cook County, Illinois. The District is responsible for educating students in ninth through twelfth grades who reside within the geographical boundaries of the Village of Burnham, City of Calumet City, Village of Lansing, and Village of Lynwood.

The District is a primary government. It was organized as a legal township high school district on April 12, 1926 and is governed by a Board of Education composed of seven elected members. These financial statements present Thornton Fractional Township High School District No. 215, a legally separate and fiscally independent government.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no legally separate organizations for which the elected officials of the District are financially accountable that would be considered to be a component unit of the District's financial reporting entity.

B. BASIS OF PRESENTATION

District-wide Financial Statements: The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements present governmental activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or if the assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds. Also, the school district may decide what is a major fund. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds.

The District reports the following major governmental funds:

The *Educational Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds. Special Education is included in the Educational fund.

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The *Operations and Maintenance Fund* is a special revenue fund used to account for all costs of maintaining, improving, or repairing school buildings and property or renting buildings and property for school purposes and the related revenues.

Other governmental (nonmajor) funds of the District consist of the following funds:

The *Transportation Fund* is a special revenue fund created when the District pays the costs of transporting pupils for any purpose. Moneys received for transportation purposes from any source and related costs of transportation are accounted for in this fund.

The *Municipal Retirement/Social Security Fund* is a special revenue fund created when a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits and/or social security and medicare only payments for covered employees.

The *Bond and Interest Fund* is a debt service fund maintained to account for separate taxes levied to provide cash to retire bonds and to pay the interest and other related costs on them.

The *Working Cash Fund* is a special revenue fund created when a separate tax is levied for working cash purposes or if bonds are sold for this purpose.

The *Site and Construction Fund* is a capital projects fund created to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *Tort Immunity Fund* is a special revenue fund created when a separate tax is levied for the purpose of paying all costs relating to insurance and loss prevention.

The *Fire Prevention and Safety Fund* is a capital projects fund created when a tax is levied or bonds issued for fire prevention, safety, energy conservation, or school security purposes. The moneys received from the levy or the proceeds of the bond issue may only be used for the purposes stipulated in Section 17-2.11 of the School Code.

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The District reports the following fiduciary fund type:

Agency Funds include both Student Activity Funds and Convenience Accounts. They account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

District-wide and Fiduciary Fund Financial Statements

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (i.e., intended to finance). Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The District considers all revenues reported in the governmental funds to be available if the revenues are due (or past due) within sixty days after year-end. Property taxes, grants, tuition, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. CASH AND INVESTMENTS

The Thornton Fractional Township School Treasurer is the official custodian of moneys for the school districts within the township, including the District, as prescribed by Chapter 105, Section 5, Article 8 of the *Illinois Compiled Statutes*. The Township School Treasurer's Office, a legally separate entity under the oversight of the Thornton Fractional Township Trustees of Schools, pools the districts' moneys and invests, on the districts' behalf, in a cash and investment portfolio.

The Thornton Fractional Township School Treasurer is separately audited and is not included in these financial statements. Financial information may be obtained directly from the Thornton Fractional Township School Treasurer at 606 Burnham Avenue, Calumet City, Illinois 60409.

The Township School Treasurer's Office has adopted a formal written investment and cash management policy. The policy requires collateralization or independent third party insurance for deposits in federally insured institutions in excess of FDIC coverage limits, and other institutions in which the Treasurer's Office has invested. The Township School Trustees must approve the type of institution in which investments are made.

Deposits held in the District's name, consisting of imprest and activity fund accounts, are reported at cost. The District's equity in the Township School Treasurer's Pool is reported based on the cost or amortization cost of the underlying deposits and investments of the pool, which approximates fair value. Interest earned is deposited quarterly into the participating school districts' various funds.

E. PROPERTY TAXES RECEIVABLE

Property taxes receivable represent the 2009 and prior net uncollected tax levies. An allowance for estimated collection losses of 4% of the total levy has been provided to reduce the receivable to the estimated amounts collectible.

F. CAPITAL ASSETS

Capital assets, which include land, buildings, furniture, and equipment are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$2,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements with total project costs of \$10,000 or greater are capitalized as projects are constructed.

Land improvements, buildings, furniture, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u> <u>(Years)</u>
Land improvements	20
Building improvements	20 - 40
Transportation equipment	5
Other equipment	5 - 20

G. DEFERRED REVENUE

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when the District receives resources before it has a legal claim to them. In subsequent periods, when the revenue recognition criterion is met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the district-wide level arise only when the District receives resources before it has a legal claim to them.

H. COMPENSATED ABSENCES

The District's vacation and sick leave policies and agreements permit employees to accumulate earned but unused vacation and sick leave. Noncertified employees earn vacation days during the year at varying rates based on years of service. These vacation days must be taken within the subsequent year or are lost. Certified employees who work less than 12 calendar months per year do not earn vacation days. Employees receive 15 sick days annually and the unused portion is accumulated and carried forward. Employees who retire, resign or are dismissed as a result of a reduction of force and who have at least ten years of full time service in the District receive compensation for their accumulated sick leave, less any days of sick leave credited to a retirement system. Members of TRS and IMRF (see Note 11) may receive a maximum of two years and one year of credit, respectively, at retirement for unused, uncompensated sick leave.

The liability for sick leave is estimated using the vesting method and assumes that any days available for up to one year of service credit will be credited to a retirement system rather than paid by the District. In the fund financial statements, governmental funds report compensated absences as expenditures and as fund liabilities to the extent that the liabilities have matured (that is, became due for payment during the period). The liabilities for compensated absences that are not currently payable are reported as long-term liabilities in the district-wide statements.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

J. USE OF RESTRICTED RESOURCES

When both restricted and unrestricted resources are available to use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

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K. INVENTORIES

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

2. DEPOSITS AND INVESTMENTS

The District is allowed to invest in securities as authorized by the *Illinois Compiled Statutes*, Chapter 30, Sections 235/2 and 235/6; and Chapter 105, Section 5/8-7.

The District's cash is deposited with the Thornton Fractional Township School Treasurer's Office. The Treasurer invests the cash in a pool under policy guidelines established through the Treasurer's investment policy. Credit risk, concentration of credit risk, and interest rate risk (as applicable) regarding the cash held by the Treasurer is included in the annual audited financial statements of the Thornton Fractional Township Trustees of Schools.

All deposits and investments of the District, except imprest and activity fund accounts, are maintained in the external cash and investment pool managed by the Thornton Fractional Township School Treasurer's Office. Each fund type's portion of this pool is displayed on the combined statement of assets and liabilities arising from cash transactions as "Cash/investments - pooled accounts". As of June 30, 2010, there was no material difference between the fair value and reported amount of the District's equity in the pool.

The District's imprest and activity fund accounts at year-end were entirely covered by federal depository insurance.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

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	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Government activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 560,301	\$ -	\$ -	\$ 560,301
Construction in progress	-	2,745,791	-	2,745,791
<i>Total capital assets not being depreciated</i>	<u>560,301</u>	<u>2,745,791</u>	<u>-</u>	<u>3,306,092</u>
<i>Capital assets being depreciated:</i>				
Buildings	58,990,396	-	-	58,990,396
Land/Building improvements	6,468,042	13,138	-	6,481,180
Equipment	8,922,591	940,843	-	9,863,434
<i>Total capital assets being depreciated</i>	<u>74,381,029</u>	<u>953,981</u>	<u>-</u>	<u>75,335,010</u>
Less accumulated depreciation for:				
Buildings	16,407,170	1,368,781	-	17,775,951
Land/Building improvements	1,545,372	359,954	-	1,905,326
Equipment	6,791,320	409,671	-	7,200,991
<i>Total accumulated depreciation</i>	<u>24,743,862</u>	<u>2,138,406</u>	<u>-</u>	<u>26,882,268</u>
<i>Total capital assets being depreciated, net</i>	<u>49,637,167</u>	<u>(1,184,425)</u>	<u>-</u>	<u>48,452,742</u>
<i>Governmental activity capital assets, net</i>	<u>\$ 50,197,468</u>	<u>\$ 1,561,366</u>	<u>\$ -</u>	<u>\$ 51,758,834</u>

Total depreciation for the year is \$2,138,406. Depreciation expense is reported on the Statement of Activities. It is allocated to specific functions/programs of the District as follows: \$1,728,735 of depreciation on buildings and land improvements, which is charged to facilities acquisition and construction services and \$24,062 of depreciation on food service equipment, which is charged to food services. The remaining \$385,609 is recorded as unallocated.

4. **LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation	\$ 23,060,000	\$ 3,000,000	\$ (1,595,000)	\$ 24,465,000	\$ 1,715,000
Capital lease	-	318,983	(67,039)	251,944	61,595
Accrued vacation	29,565	5,683	-	35,248	35,248
Accrued sick leave	201,143	-	(34,061)	167,082	985
	<u>\$ 23,290,708</u>	<u>\$ 3,324,666</u>	<u>\$ (1,696,100)</u>	<u>\$ 24,919,274</u>	<u>\$ 1,812,828</u>

A. **BONDS PAYABLE**

General obligation bonds payable at June 30, 2010, consisted of the following individual issues:

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<p>\$9,995,000 School Bonds, Series 2002, dated December 15, 2002 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 2.50 to 4.60 percent through December 2022; bonds due on or after December 1, 2012 are subject to redemption at the option of the District as a whole or in part on December 1, 2012 or any date thereafter.</p>	\$ 7,365,000
<p>\$9,000,000 School Bonds, Series 2003, dated February 1, 2003 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 2.50 to 5.00 percent through December 2022; bonds due on or after December 1, 2012 are subject to redemption at the option of the District as a whole or in part on December 1, 2012 or any date thereafter.</p>	6,555,000
<p>\$6,000,000 School Bonds, Series 2005, dated July 1, 2005 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.50 percent through December 2022; bonds due on or after December 1, 2015 are subject to redemption at par at the option of the District as a whole or in part on December 1, 2015 or any date thereafter.</p>	5,245,000
<p>\$4,000,000 School Bonds, Series 2006, dated December 1, 2006 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.25 percent through December 2013; bonds are non-callable.</p>	2,300,000
<p>\$1,275,000 G.O. School Bonds, Series 2009A, dated July 2, 2009 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 3.00 to 5.00 percent through December 1, 2020; bonds are non-callable.</p>	1,275,000
<p>\$1,725,000 G.O. School Bonds, Series 2009B – Build America Bonds, dated July 2, 2009 issued for building purposes; providing for the serial retirement of principal on December 1 (beginning 12/1/20) and interest payable on June 1 and December 1 of each year at rates varying from 6.125 to 6.50 percent through December 1, 2029; bonds due on or after December 1, 2019 are subject to redemption at the option of the District as a whole or in part on December 1, 2018 or any date thereafter. The District receives a subsidy equaling thirty-five (35) percent of the interest payments due.</p>	<u>1,725,000</u>
	<u>\$24,465,000</u>

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At June 30, 2010, the annual cash flow requirements of bond principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 1,715,000	\$ 1,058,797	\$ 2,773,797
2012	1,840,000	981,274	2,821,274
2013	1,920,000	898,406	2,818,406
2014	1,700,000	820,590	2,520,590
2015	1,365,000	756,509	2,121,509
2016-2020	7,775,000	2,832,976	10,607,976
2021-2025	6,700,000	1,036,124	7,736,124
2026-2029	1,450,000	179,334	1,629,334
	<u>\$ 24,465,000</u>	<u>\$ 8,564,010</u>	<u>\$ 33,029,010</u>

B. CAPITAL LEASE OBLIGATIONS

The District acquired two drivers-ed cars and six buses during fiscal year 2010. The Drivers-ed cars are being leased with First National Bank of Illinois in the amount of \$63,270.60 with a maturity date of September 15, 2013. The monthly payments are \$1,460.72. The buses are being leased by two companies. Two buses are leased with Sovereign Bank in the amount of \$79,816.00 with five annual payments, with the final payment due August 28, 2013. The annual payments are \$17,622.00. The remaining four buses are leased with Key Government Finance, Inc. in the amount of \$175,896.10 with five annual payments, with the final payment due January 30, 2014. The annual payments are \$38,475.54. These are reported as fixed assets purchases because when the leases expire the intention is to own the cars and buses.

At June 30, 2010, the annual cash flow requirements of capital lease principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 61,595	\$ 12,031	\$ 73,626
2012	64,646	8,980	73,626
2013	67,856	5,770	73,626
2014	57,847	2,633	60,480
	<u>\$ 251,944</u>	<u>\$ 29,414</u>	<u>\$ 281,358</u>

5. SPECIAL TAX LEVIES AND RESTRICTED EQUITY

A. TORT IMMUNITY LEVY

Effective July 1, 2008, revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Tort Immunity Fund. Prior to July 1, 2008 these revenues and expenditures were accounted for in the Education Fund. As of July 1, 2008, \$109,955 of the Education Fund's beginning fund balance was reserved for Tort Immunity expenditures and transferred from the Education Fund into the newly formed Tort Immunity Fund. As of June 30, 2010, this funds' equity of \$30,933 represents the excess of cumulative revenues received over cumulative expenditures disbursed which is restricted for future tort immunity expenditures in accordance with Chapter 745, Section 10/9-101 to 9-107 of the *Illinois Compiled Statutes*. The following expenditures represent payments made from the Tort Immunity Fund:

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Workers' Compensation Act and/or Workers' Occupational Disease Act	\$ 137,364
Unemployment Insurance Act	\$ 60,806
Insurance (Regular or Self-Insurance)	\$ 129,113
Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction	\$ 62,033

B. SPECIAL EDUCATION LEVY

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. As of June 30, 2010, cumulative expenditures disbursed equal or exceeded cumulative revenues received, therefore, no portion of this fund's equity is restricted for future special education expenditures in accordance with Chapter 105, Section 5/17-2.2a of the *Illinois Compiled Statutes*.

6. PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Property is appraised by the County Assessor at various percentages of fair market value and then subjected to equalization by standard of 33-1/3 of fair market value.

Property taxes levied for any year attach as an enforceable lien on property as of January 1 and are due and payable in the following calendar year. Real estate tax bills are payable in two installments. The first installment is computed at 55% of the prior year's bill and is mailed in late January with a March 1 due date. The second installment is computed after the assessed valuations for the current year have been determined, usually in June or July. Final tax bills are mailed with a penalty date at least 30 days after the date of mailing, but not earlier than August 1. The District receives significant distributions of tax receipts approximately one month after these due dates.

The Board passed the current levy on December 15, 2009. The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of equalized assessed valuation:

	Limit	Actual 2009 Levy	Actual 2008 Levy
Educational	3.5000	2.1024	2.0610
Tort Immunity	As needed	0.0342	0.0360
Special Education	0.4000	0.0162	0.0170
Operations and Maintenance	0.5500	0.2597	0.2730
Transportation	As needed	0.0783	0.0721
Municipal Retirement	As needed	0.0245	0.0258
Social Security	As needed	0.0735	0.0773
Bond and Interest	As needed	0.2601	0.2739
Life Safety	0.1000	-	-
Working Cash	0.0500	0.0324	0.0341
		2.8813	2.8702

For taxing districts in Cook County, including the District, the tax rate limit is required to be applied to the equalized assessed valuation (EAV) of property for the levy year prior to the levy year for which taxes are then being extended. The actual levy rate is stated based on the current EAV of property. As a result, a tax rate may be at its maximum for the levy year even though it is less than its corresponding limit.

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7. JOINT VENTURES

EXCEPTIONAL CHILDREN HAVE OPPORTUNITIES (A JOINT AGREEMENT)

The District is a participant in Exceptional Children Have Opportunities (ECHO), which was established as a result of a joint agreement between 17 local public school districts for the purpose of providing special education services to the children of its member districts. The joint agreement is governed by a Board of Directors composed of superintendents (or an alternative person appointed by the superintendent) from each member district. Complete financial statements of the joint agreement may be obtained from its administrative office at 350 West 154th Street, South Holland, Illinois 60473. The District paid \$2,596,476 to ECHO for tuition and services during the year ended June 30, 2010.

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2009, the most recent information available:

Total assets-modified cash basis	\$ 6,094,604	Revenues received	\$ 41,902,182
Total liabilities-modified cash basis	\$ -	Expenditures disbursed	\$ 50,431,844
Net assets - invested in capital assets-modified cash basis	\$ 9,125,461	Net increase/decrease in fund balance	\$ (8,529,662)
Unrestricted net assets - modified cash.	\$ (3,030,857)		
Total net assets-modified cash basis	\$ 6,094,604		

8. CONTINGENCIES

The District has received funding from State and Federal grants in the current and prior years, which are subject to audits by the granting agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, District management believes that such disallowances, if any, would be immaterial.

9. RISK MANAGEMENT

The District is exposed to various risks of loss including general liability, property and casualty, errors and omissions, workers compensation, unemployment compensation and employee health and medical benefits. In lieu of paying unemployment contributions, the District has elected to reimburse the State of Illinois for the actual amount of benefits paid to their former workers.

The District has elected to provide employee health and medical benefits through a self-insured plan and accordingly, is liable for all employees' health claims that are approved for payment. The District has obtained stop-loss insurance from a commercial company to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the plan year ending December 31, 2010 are \$100,000 for individual claims and approximately \$3,780,120 for aggregate claims. The aggregate stop-loss limit is equal to \$12,575 multiplied by the average number of employees during the stop-loss coverage period.

For all other risks of loss, the District has joined together with other school districts to form various pools through which to manage its risk of loss. The District is a member of Suburban School Cooperative Insurance Pool (SSCIP) for its general liability, property and casualty, and errors and omissions coverage and School Employee Loss Fund (SELF) for workers compensation coverage. These public entity risk pools operate as common risk management and insurance programs. They receive premiums from member districts and reinsure through commercial companies to limit the liability for claims in excess of coverage provided by the pool. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. Also, there were no significant reductions in insurance coverage in the current fiscal year.

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10. EMPLOYEE RETIREMENT PROGRAMS

A. TEACHERS' RETIREMENT SYSTEM

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2010, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2009 and 2008.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$4,828,400 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$3,413,493) and 13.11 percent (\$2,432,961), respectively.

The District makes other types of employer contributions directly to TRS:

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2010 were \$122,107. Contributions for the years ending June 30, 2009 and June 30, 2008, were \$117,094 and \$107,637, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$401,037 were paid from federal and special trust funds that required employer contributions of \$93,762. For the years ended June 30, 2009 and June 30, 2008, required District contributions were \$35,544 and \$74,251, respectively.

Early Retirement Option (ERO). The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

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Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

Under the current ERO, the maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2010, the District paid no amount to TRS for employer contributions under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the District paid \$409,913 and \$284,956 in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave. Public Act 94-0004 added two additional employer contributions to TRS.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2010, the District paid no amount to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2009 and June 30, 2008, the District paid \$16,210 and \$5,733 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2010).

For the years ended June 30, 2010, 2009, and 2008, the District did not have anyone retire under this section.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2009. The report for the year ended June 30, 2010 is expected to be available in late 2010.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

B. IMRF PENSION PLAN

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 7.59 percent of annual covered payroll. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2009, the District's annual pension cost of \$334,325 for the Regular plan was equal to the District's required and actual contributions.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$334,325	100%	\$0
12/31/2008	\$266,719	100%	\$0
12/31/2007	\$249,515	100%	\$0

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 valuation was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 75.48 percent funded. The actuarial accrued liability for benefits was \$9,785,654 and the actuarial value of assets was \$7,386,560, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,399,094. The covered payroll (annual payroll of active employees covered by the plan) was \$4,404,806, and the ratio of the UAAL to the covered payroll was 54 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

11. POSTEMPLOYMENT BENEFITS

A. TEACHER HEALTH INSURANCE SECURITY

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
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JUNE 30, 2010

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$176,844, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008 were also 0.84 percent of pay. State contributions on behalf of District employees were \$169,625 and \$155,888, respectively.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, 2009, and 2008. For the year ended June 30, 2010, the District paid \$132,633 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the District paid \$127,219 and \$116,916 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

B. POSTRETIREMENT MEDICAL PLAN

Effective for the year ended June 30, 2009, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment health benefits provided by the District.

Plan Description. The District's Health Insurance Plan for Retired Employees provides limited health care coverage for its eligible retired employees. The plan is funded on a pay-as-you-go basis. Employees are eligible upon retirement if they were enrolled in the active medical plan immediately prior to retiring. Eligibility and coverage varies based on employee classification as described below:

Certified (Teachers and Administrators): TRS-eligible employees are not eligible for continuation of coverage through the District plan.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Non-Certified: Eligible for benefits once they meet criteria for retirement under IMRF plan (age 55 and 8 years of service). All eligible Non-Certified employees and their spouses are eligible to continue medical, dental, vision and prescription drug coverage with the District plans upon retirement. Coverage is allowed to continue after age 65 with the retiree paying 100% of the required premium.

Membership in the plan consisted of the following as of June 30, 2010:

Actives	79
Retirees	17
Dependents	<u>9</u>
Total	<u>105</u>
Number of participating employers	1

ANNUAL OPEB COST AND NET OPEB OBLIGATIONS

	June 30, 2009	June 30, 2010
Annual required contribution	\$ 47,785	\$ 47,443
Interest on net OPEB obligation	-	-
Annual OPEB cost	<u>47,785</u>	<u>47,443</u>
Assumed contributions	<u>28,572</u>	<u>25,950</u>
Increase in net OPEB obligation	19,213	21,493
Net OPEB obligation at beginning of year	-	19,213
Net OPEB obligation at end of year	<u>\$ 19,213</u>	<u>\$ 40,706</u>

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 47,443	54.70%	\$ 40,706
6/30/2009	\$ 47,785	59.79%	\$ 19,213
6/30/2008	Not Available	Not Available	Not Available

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

ANNUAL REQUIRED CONTRIBUTION

	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Normal cost (cost of upcoming year benefit accruals for actives)	\$ 26,112	N/A
Amortization of the UAAL (up to 30 year maximum)	19,835	N/A
Interest Adjustment (to end of year)	<u>1,838</u>	<u>N/A</u>
Annual Required Contribution	\$ 47,785	\$ 47,785
Interest on Net OPEB Obligation	-	769
Amortization of NOO	-	(1,111)
Annual OPEB Cost	<u>\$ 47,785</u>	<u>\$ 47,443</u>

FUNDED STATUS

(a) Actuarial accrued liability	\$ 356,704
(b) Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (funding excess) [(a) - (b)]	<u>\$ 356,704</u>
Funded ratio (b) / (a)	0.00%
(c) Covered payroll	Not Available
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (((a) - (b)) / (c))	Not Available

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

Contribution rates:	
District	0.00%
Plan members	0.00%
Actuarial valuation date	7/1/2008
	<u>Projected Unit Credit ("PUC")</u> - Costs attributable to past service and the current year's service determined by prorating Present Value of Benefits ("PVB") over all years of service that benefits are expected to be paid from the plan.
Actuarial cost method	<u>Normal Cost ("NC")</u> - The portion of the Present Value which is allocated to the valuation year by the actuarial cost method. Under PUC, the current year's portion is equal to the PVB divided by the total credited service at the anticipated retirement date.
	<u>Actuarial Accrued Liability ("AAL")</u> - Present value of the past service liability of the employee's total PVB. Under PUC, AAL = PVB times the ratio of the participant's credited service to the total credited service at the anticipated retirement date.
Amortization of the UAAL	Closed, level dollar amortization over maximum allowable period of 30 years.
Asset valuation method	N/A
Actuarial assumptions:	
Discount rate	4.00%
Healthcare inflation rate	9.52% initial, 5.00% ultimate
Mortality table	RP-2000 Combined Healthy Mortality Table - Projected with Scale AA fully generational.
Disability rates	None assumed.
Participation	50% of the Non-Certified active employees currently enrolled in the District plan are assumed to participate in the same medical plan upon retirement.
Lapse rate	No current retirees are assumed to lapse coverage.
Actuarial Valuation Frequency	An actuarial valuation is prepared triennially, provided no significant events have occurred warranting a new measurement. The Annual Required Contribution (ARC) for the current fiscal year is based upon the results of the most recent actuarial valuation.

12. NEW ACCOUNTING PRONOUNCEMENTS

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 15, 2010. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Statement 54 is effective for the District's fiscal year ending June 30, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
EMPLOYER NUMBER: 02269R
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 7,386,560	\$ 9,785,654	\$ 2,399,094	75.48%	\$4,404,806	54.47%
12/31/08	\$ 7,510,741	\$ 9,666,562	\$ 2,155,821	77.70%	\$4,128,777	52.21%
12/31/07	\$10,087,005	\$ 9,540,342	\$ (546,663)	105.73%	\$3,898,677	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$7,083,809. On a market basis, the funded ratio would be 72.39%.

For information regarding pension contribution percentages rates, assumptions and amortization method, see Note 10-B.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
 POSTRETIREMENT MEDICAL PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 JUNE 30, 2010

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/08	\$ -	\$ 356,704	\$ 356,704	0.00%	N/A	N/A

For information regarding postretirement medical plan percentages rates, assumptions and amortization method, see Note 11-B.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
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NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 19,491,382	\$ 20,233,757	\$ 19,310,322
Charges for services	1,006,400	771,775	922,011
Refund of prior year expenditures	400,000	498,509	546,750
Investment earnings	200,200	84,976	224,998
Flow-through revenue from state sources	5,000	55,427	-
Flow-through revenue from federal sources	45,055	-	-
Unrestricted general state aid	10,500,000	8,485,855	7,294,678
Restricted state aid			
Special education	1,378,000	1,039,083	1,001,315
Vocational education	131,003	62,888	185,089
Driver education	82,000	63,413	81,544
ADA safety and educational block grant	116,000	14,835	115,989
Other restricted state grants-in-aid	100,968	91,922	122,891
Total restricted state aid	<u>1,807,971</u>	<u>1,272,141</u>	<u>1,506,828</u>
Restricted federal aid			
Title V - innovative programs	-	362	82
National school lunch program	550,000	706,152	546,061
Title I - low income	615,236	662,577	289,306
ARRA- Title I - low income	289,571	215,000	-
Title I - school improvement	-	33,100	85,262
Title IV - safe and drug free schools	16,155	12,620	2,838
Special education IDEA flow through	579,982	519,394	763,230
Special education IDEA room and board	105,000	52,735	86,420
ARRA- Special education IDEA flow through	787,526	775,499	-
Vocational education	113,846	124,031	114,428
ARRA - general state aid	-	2,195,037	2,572,019
Title II - teacher quality/Class size reduction	138,878	85,829	87,631
Medicaid matching fund	194,000	280,696	202,669
ARRA- Mckinney-Vento Homeless	3,434	3,434	-
Other restricted federal aid	3,000	319	7,651
Total restricted federal aid	<u>3,396,628</u>	<u>5,666,785</u>	<u>4,757,597</u>
TOTAL DIRECT REVENUES RECEIVED	<u>\$ 36,852,636</u>	<u>\$ 37,069,225</u>	<u>\$ 34,563,184</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
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NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Current			
Instruction			
Regular programs			
Salaries	\$ 12,677,577	\$ 12,499,227	\$ 11,872,773
Employee benefits	2,152,982	1,624,151	1,991,288
Purchased services	189,295	191,961	471,003
Supplies and materials	437,850	448,385	344,539
Other	1,730,590	27,649	10,984
	<u>17,188,294</u>	<u>14,791,373</u>	<u>14,690,587</u>
Special education programs			
Salaries	2,261,691	2,178,940	2,117,753
Employee benefits	240,710	300,259	221,802
Purchased services	-	12,079	53,408
Supplies and materials	6,113	4,860	9,186
	<u>2,508,514</u>	<u>2,496,138</u>	<u>2,402,149</u>
Other instructional programs			
Vocational programs			
Salaries	1,262,880	1,338,330	1,183,469
Employee benefits	149,970	213,112	136,670
Purchased services	271,900	221,654	231,547
Supplies and materials	65,954	53,580	136,730
Non-capitalized equipment	-	1,840	-
	<u>1,750,704</u>	<u>1,828,516</u>	<u>1,688,416</u>
Interscholastic programs			
Salaries	1,222,196	1,254,026	1,216,793
Employee benefits	26,100	25,835	24,812
Purchased services	178,673	191,616	168,442
Supplies and materials	126,881	121,499	123,433
Other	49,370	47,219	46,121
	<u>\$ 1,603,220</u>	<u>\$ 1,640,195</u>	<u>\$ 1,579,601</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Instruction (continued)			
Other instructional programs (continued)			
Summer school program			
Salaries	\$ 121,690	\$ 123,047	\$ 103,560
Employee benefits	600	289	525
Purchased services	5,000	5,000	12,000
Supplies and materials	18,000	-	37,446
	<u>145,290</u>	<u>128,336</u>	<u>153,531</u>
Drivers education			
Salaries	355,244	355,244	335,872
Employee benefits	2,000	2,095	1,938
Purchased services	16,480	18,155	16,646
Supplies and materials	6,800	4,197	5,679
	<u>380,524</u>	<u>379,691</u>	<u>360,135</u>
Total other instructional programs	<u>3,879,738</u>	<u>3,976,738</u>	<u>3,781,683</u>
Support services			
Pupil services			
Attendance & social work services			
Salaries	1,244,746	1,231,087	959,247
Employee benefits	75,460	213,595	68,726
Purchased services	1,000	545	7,183
Supplies and materials	11,794	14,879	25,318
	<u>1,333,000</u>	<u>1,460,106</u>	<u>1,060,474</u>
Guidance services			
Salaries	960,195	986,047	930,592
Employee benefits	117,470	123,114	107,035
Purchased services	49,037	21,147	20,485
Supplies and materials	24,500	14,797	22,240
Other	2,500	999	2,115
	<u>1,153,702</u>	<u>1,146,104</u>	<u>1,082,467</u>
Health services			
Salaries	101,920	110,970	85,521
Employee benefits	23,210	15,863	21,076
Supplies and materials	2,105	2,054	2,456
	<u>\$ 127,235</u>	<u>\$ 128,887</u>	<u>\$ 109,053</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Support services (continued)			
Pupil services (continued)			
Psychological services			
Salaries	\$ 96,564	\$ 91,260	\$ 86,327
Employee benefits	18,720	15,740	17,075
Supplies and materials	600	386	7
	<u>115,884</u>	<u>107,386</u>	<u>103,409</u>
Speech pathology and audiology services			
Salaries	76,968	79,122	101,629
Employee benefits	600	466	598
Supplies and materials	955	353	416
Other	-	225	-
	<u>78,523</u>	<u>80,166</u>	<u>102,643</u>
Total pupil services	<u>2,808,344</u>	<u>2,922,649</u>	<u>2,458,046</u>
Instructional staff services			
Improvement of instruction services			
Salaries	223,671	299,169	273,504
Employee benefits	54,787	48,439	64,643
Purchased services	124,912	160,530	385,616
Supplies and materials	452,780	249,549	386,582
Other	3,500	2,256	1,976
	<u>859,650</u>	<u>759,943</u>	<u>1,112,321</u>
Educational media services			
Salaries	199,109	196,848	182,551
Employee benefits	30,880	16,364	28,063
Purchased services	2,300	-	1,500
Supplies and materials	47,014	45,381	29,200
	<u>\$ 279,303</u>	<u>\$ 258,593</u>	<u>\$ 241,314</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Support services (continued)			
Instructional staff services (continued)			
Assessment/Testing			
Supplies and materials	\$ -	\$ 140,261	\$ 23,694
	-	140,261	23,694
Total instructional staff services	1,138,953	1,158,797	1,377,329
General administration services			
Title I District			
Salaries	-	29,997	-
Employee benefits	-	11,046	-
	-	41,043	-
General administration services			
Board of education services			
Employee benefits	56,213	16,210	-
Purchased services	669,927	532,772	660,608
	726,140	548,982	660,608
Executive administration services			
Salaries	378,797	284,928	378,165
Employee benefits	110,386	203,093	482,064
Purchased services	72,300	35,196	62,098
Supplies and materials	23,600	11,429	20,643
Other	13,000	11,221	10,026
	\$ 598,083	\$ 545,867	\$ 952,996

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Support services (continued)			
General administration services (continued)			
Special area administration services			
Salaries	\$ 181,376	\$ 217,056	\$ 148,103
Employee benefits	54,890	60,572	50,630
Purchased services	5,000	2,816	45,520
Supplies and materials	4,000	32,722	2,488
Other	1,000	494	796
	246,266	313,660	247,537
Total general administration services	1,570,489	1,449,552	1,861,141
Office of the principal services			
Salaries	1,494,541	1,198,667	1,507,796
Employee benefits	427,350	305,079	402,186
Purchased services	15,392	11,313	13,122
Supplies and materials	41,708	59,668	56,747
Other	800	295	295
	1,979,791	1,575,022	1,980,146
Other support services			
Salaries	24,600	-	-
Employee benefits	8,676	-	-
	33,276	-	-
Business services			
Direction of business support services			
Salaries	80,500	80,815	61,702
Employee benefits	10,600	19,203	7,980
	91,100	100,018	69,682
Fiscal services			
Salaries	249,392	178,744	186,898
Employee benefits	58,630	30,405	53,300
Purchased services	9,575	2,710	4,967
Supplies and materials	5,000	3,001	3,106
Other	1,000	707	675
	\$ 323,597	\$ 215,567	\$ 248,946

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

EXPENDITURES DISBURSED (Continued)	2010		2009
	Original and Final Budget	Actual	Actual
Current (continued)			
Food services			
Salaries	\$ 422,006	\$ 440,846	\$ 404,007
Employee benefits	27,080	38,005	24,619
Purchases services	27,000	14,582	14,824
Supplies and materials	574,750	715,116	549,780
	<u>1,050,836</u>	<u>1,208,549</u>	<u>993,230</u>
Internal services			
Salaries	58,657	56,736	82,435
Employee benefits	-	-	17
Purchased services	2,000	-	-
Supplies and materials	8,000	5,772	7,643
	<u>68,657</u>	<u>62,508</u>	<u>90,095</u>
Total business services	<u>1,567,466</u>	<u>1,586,642</u>	<u>1,401,953</u>
Operations and maintenance of plant services			
Employee benefits	-	-	1
Purchased services	234,100	245,808	163,923
	<u>234,100</u>	<u>245,808</u>	<u>163,924</u>
Total operations and maintenance of plant services	<u>234,100</u>	<u>245,808</u>	<u>163,924</u>
Pupil transportation services			
Purchased services	540	-	-
	<u>540</u>	<u>-</u>	<u>-</u>
Total pupil transportation services	<u>540</u>	<u>-</u>	<u>-</u>
Central and other support services			
Other support services			
Salaries	178,607	179,807	185,303
Employee benefits	31,240	15,203	28,403
Purchased services	353,500	361,772	299,749
Supplies and materials	345,500	270,184	307,568
Other	400	534	318
	<u>909,247</u>	<u>827,500</u>	<u>821,341</u>
Total central and other support services	<u>\$ 909,247</u>	<u>\$ 827,500</u>	<u>\$ 821,341</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Community services			
Employee benefits	\$ -	\$ -	\$ 13,173
Purchased services	6,158	18,731	13,988
Supplies and materials	3,511	-	1,980
	9,669	18,731	29,141
Nonprogrammed charges			
Payments to other governmental units			
Payments for regular programs	-	15,477	-
Payments for special education programs	2,524,278	3,749,144	2,866,765
	2,524,278	3,764,621	2,866,765
Capital outlay			
Regular programs	23,117	45,614	73,145
Vocational programs	30,500	30,569	27,510
Interscholastic programs	6,000	-	-
Drivers education	-	63,271	-
Guidance services	1,200	-	-
Attendance and social work services	9,000	2,415	-
Improvement of instruction services	6,000	-	2,399
Educational media services	6,400	71,921	1,316
Executive administration services	4,000	-	3,013
Special area administration services	1,000	-	-
Internal services	2,000	-	-
Office of the principal services	62,140	27,755	74,578
Fiscal services	2,400	-	-
Food services	25,000	15,400	-
Other support services	315,600	373,888	246,071
	\$ 494,357	\$ 630,833	\$ 428,032

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010	2009
	Original and Final Budget	Actual
TOTAL DIRECT EXPENDITURES DISBURSED	\$ 36,813,780	\$ 35,444,404
NET CHANGE IN FUND BALANCE	\$ 38,856	1,624,821
FUND BALANCE - Beginning (Budgetary Basis)		6,848,574
Other changes in fund balance		(71,104)
REALLOCATE TO FUND 80 (SEE NOTE 5A)		(109,955)
FUND BALANCE - Ending (Budgetary Basis)		8,402,291
ADJUSTMENTS TO RECONCILE TO GAAP BASIS		
To adjust for revenue accruals and deferrals		860,241
To adjust for expenditure accruals		290,956
FUND BALANCE - Ending (GAAP Basis)	\$ 9,553,488	\$ 6,848,574

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 1 of 2

OPERATIONS AND MAINTENANCE FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 2,487,000	\$ 2,571,344	\$ 2,467,927
Corporate personal property replacement taxes	1,000,000	799,256	976,894
Charges for services	110,000	115,512	105,568
Investment earnings	120,000	22,907	115,389
Unrestricted general state aid	720,000	720,000	720,000
TOTAL REVENUES RECEIVED	4,437,000	4,229,019	4,385,778
EXPENDITURES DISBURSED			
Current			
Support services			
Operations & maintenance services			
Salaries	1,852,600	1,743,118	1,762,145
Employee benefits	251,000	334,463	250,007
Purchased services	1,709,300	1,451,656	1,596,124
Supplies and materials	301,000	258,511	327,500
Total operations and maintenance services	4,113,900	3,787,748	3,935,776
Capital outlay			
Facilities acquisition and construction	142,447	142,446	3,174,482
Operations and maintenance	63,000	79,606	54,076
Total capital outlay	205,447	222,052	3,228,558
Debt service			
Interest	111,579	-	-
Total debt service	111,579	-	-
TOTAL EXPENDITURES DISBURSED	4,430,926	4,009,800	7,164,334
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	\$ 6,074	\$ 219,219	\$ (2,778,556)

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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OPERATIONS AND MAINTENANCE FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
OTHER FINANCING USES			
Transfer to Debt service fund	\$ -	\$ (111,579)	\$ -
TOTAL OTHER FINANCING USES	-	(111,579)	-
NET CHANGE IN FUND BALANCE	\$ 6,074	107,640	(2,778,556)
FUND BALANCE - Beginning (Budgetary Basis)		1,400,097	4,148,729
Other changes in fund balances		71,104	-
FUND BALANCE - Ending (Budgetary Basis)		1,578,841	1,370,173
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		(15,115) ✓	(88,062)
To adjust for expenditure accruals		108,456 ✓	117,986
FUND BALANCE - Ending (GAAP Basis)		\$ 1,672,182	\$ 1,400,097

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2010

BUDGETS AND BUDGETARY ACCOUNTING

The budget for all governmental fund types is prepared on the cash basis of accounting and excludes on-behalf payments for which the District is not legally responsible. This is a comprehensive basis of accounting other than generally accepted accounting principles. The budget, which was not amended, was passed on September 22, 2009.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. Unexpended budgetary balances lapse at the end of each fiscal year.

The District, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

OVEREXPENDITURE OF BUDGET

At June 30, 2010, the following funds overexpended their budgets:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Overexpended Amount</u>
Bond & Interest	\$ 2,709,415 ✓	\$ 2,709,809 ✓	\$ 394
Transportation	\$ 2,217,914 ✓	\$ 2,547,715 ✓	\$ 329,801
IMRF/Social Security	\$ 1,016,112 ✓	\$ 1,068,809 ✓	\$ 52,697
Tort Immunity	\$ 352,363 ✓	\$ 389,316 ✓	\$ 36,953

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Transportation	Municipal Retirement/ Social Security	Bond and Interest	Working Cash	Site and Construction	Tort Immunity	Fire Prevention and Safety	Total
ASSETS								
Cash/investments - pooled accounts	\$ 167,574	\$ 515,362	\$ 1,156,104	\$ 2,204,324	\$ 269,733	\$ 30,933	\$ -	\$ 4,344,030
Property taxes receivable, net	411,789	513,371	1,361,832	169,704	-	178,102	-	2,634,798
Due from other governments	1,364,019	-	-	-	-	-	-	1,364,019
Other receivables	-	-	-	-	-	18,639	-	18,639
Accrued interest on investments	384	1,182	2,650	5,051	618	72	-	9,957
TOTAL ASSETS	\$ 1,943,766	\$ 1,029,915	\$ 2,520,586	\$ 2,379,079	\$ 270,351	\$ 227,746	\$ -	\$ 8,371,443
LIABILITIES								
Accounts payable	\$ 140,739	\$ -	\$ 587	\$ -	\$ 4,000	\$ 17,400	\$ -	\$ 162,726
Deferred revenue	942,028	506,313	1,344,326	167,384	-	176,693	-	3,136,744
Other current liabilities	-	-	10,000	-	-	-	-	10,000
TOTAL LIABILITIES	1,082,767	506,313	1,354,913	167,384	4,000	194,093	-	3,309,470
FUND BALANCES								
Unreserved, reported in nonmajor:								
Special revenue funds	860,999	523,602	-	2,211,695	-	33,653	-	3,629,949
Debt service fund	-	-	1,165,673	-	-	-	-	1,165,673
Capital project fund	-	-	-	-	266,351	-	-	266,351
TOTAL FUND BALANCES	860,999	523,602	1,165,673	2,211,695	266,351	33,653	-	5,061,973
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,943,766	\$ 1,029,915	\$ 2,520,586	\$ 2,379,079	\$ 270,351	\$ 227,746	\$ -	\$ 8,371,443

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OTHER SUPPLEMENTARY INFORMATION

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Transportation	Municipal Retirement/ Social Security	Bond and Interest	Working Cash	Site and Construction	Tort Immunity	Fire Prevention and Safety	Total
REVENUES								
Property taxes	\$ 734,520	\$ 978,202	\$ 2,590,260	\$ 323,030	\$ -	\$ 338,711	\$ -	\$ 4,964,723
Personal property replacement taxes	-	70,000	-	-	-	-	-	70,000
Charges for services	255,712	-	-	-	-	-	-	255,712
Investment income	4,229	6,682	14,290	24,233	11,698	50	-	61,182
Unrestricted state aid	725,000	-	-	-	-	-	-	725,000
Restricted state aid	1,334,031	-	-	-	-	-	-	1,334,031
Restricted federal aid	-	-	34,366	-	-	-	-	34,366
TOTAL REVENUES	3,053,492	1,054,884	2,638,916	347,263	11,698	338,761	-	7,445,014
EXPENDITURES								
Current operating								
Instruction								
Regular instruction	-	192,946	-	-	-	-	-	192,946
Special education instruction	-	67,753	-	-	-	-	-	67,753
Other instruction	-	81,098	-	-	-	-	-	81,098
Support services								
Pupil services	-	128,149	-	-	-	-	-	128,149
Instructional staff services	-	11,831	-	-	-	-	-	11,831
General administration services	-	43,471	-	-	-	-	-	43,471
School administration services	-	91,394	-	-	-	-	-	91,394
Business services	-	48,662	-	-	-	-	-	48,662
Operation & maintenance of plant services	-	292,041	-	-	-	-	-	292,041
Pupil transportation services	2,374,927	167	-	-	-	-	-	2,375,094
Food services	-	75,582	-	-	-	-	-	75,582
Central and other support services	-	35,715	-	-	-	-	-	35,715
Tort immunity	-	-	-	-	-	380,213	-	380,213
Debt service	-	-	2,710,253	-	-	-	-	2,710,253
Capital outlay	255,712	-	-	-	2,745,791	-	-	3,001,503
TOTAL EXPENDITURES	2,630,639	1,068,809	2,710,253	-	2,745,791	380,213	-	9,535,705
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	422,853	(13,925)	(71,337)	347,263	(2,734,093)	(41,452)	-	(2,090,691)
OTHER FINANCING SOURCES (USES)								
Permanent transfer	-	-	111,579	-	-	-	-	111,579
Proceeds from sale of bonds	-	-	-	-	3,000,000	-	-	3,000,000
Premium from sale of bonds	-	-	-	-	57,999	-	-	57,999
Bond issuance costs	-	-	-	-	(57,555)	-	-	(57,555)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	111,579	-	3,000,444	-	-	3,112,023
NET CHANGE IN FUND BALANCE	422,853	(13,925)	40,242	347,263	266,351	(41,452)	-	1,021,332
FUND BALANCE - Beginning of Year	438,146	537,527	1,125,431	1,864,432	-	75,105	-	4,040,641
FUND BALANCE - End of Year	\$ 860,999	\$ 523,602	\$ 1,165,673	\$ 2,211,695	\$ 266,351	\$ 33,653	\$ -	\$ 5,061,973

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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TRANSPORTATION FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 661,000	\$ 727,245	\$ 605,508
Charges for services	-	255,712	-
Investment earnings	7,000	3,882	7,471
Unrestricted general state aid	400,000	725,000	775,000
Restricted state aid			
Transportation aid	1,153,718	986,068	710,416
TOTAL REVENUES RECEIVED	2,221,718	2,697,907	2,098,395
EXPENDITURES DISBURSED			
Current			
Support services			
Pupil transportation services			
Salaries	11,500	11,500	7,769
Employee benefits	900	1,267	856
Purchased services	2,205,514	2,279,236	2,077,607
Total pupil transportation services	2,217,914	2,292,003	2,086,232
Cap: Capital outlay			
Pupil transportation services	-	255,712	-
Total capital outlay pupil trans services	-	255,712	-
TOTAL EXPENDITURES DISBURSED	2,217,914	2,547,715	2,086,232
NET CHANGE IN FUND BALANCE	\$ 3,804	150,192	12,163
FUND BALANCE - Beginning (Budgetary Basis)		438,146	194,955
FUND BALANCE - Ending (Budgetary Basis)		588,338	207,118
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		355,585	243,019
To adjust for expenditure accruals		(82,924)	(11,991)
FUND BALANCE - Ending (GAAP Basis)		\$ 860,999	\$ 438,146

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 944,800	\$ 971,144	\$ 922,575
Corporate personal property replacement taxes	70,000	70,000	70,000
Investment earnings	14,200	6,601	16,484
TOTAL REVENUES RECEIVED	1,029,000	1,047,745	1,009,059
EXPENDITURES DISBURSED			
Current operating			
Instruction			
Regular instruction	201,050	192,946	186,304
Special education instruction	66,700	67,753	61,717
Other instruction	77,282	81,098	69,479
Support services			
Pupil services	119,700	128,149	101,975
Education media	2,550	3,575	2,312
Instructional staff services	11,230	11,831	9,926
General administration services	27,700	39,896	24,605
School administration services	92,000	91,394	83,698
Business services	106,800	124,244	95,877
Operations and maintenance services	274,900	292,041	252,682
Pupil transportation services	200	167	112
Central and other support services	36,000	35,715	32,268
TOTAL EXPENDITURES DISBURSED	1,016,112	1,068,809	920,955
NET CHANGE IN FUND BALANCE	\$ 12,888	(21,064)	88,104
FUND BALANCE - Beginning (Budgetary Basis)		537,527	472,337
FUND BALANCE - Ending (Budgetary Basis)		516,463	560,441
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		7,139	(22,914)
FUND BALANCE - Ending (GAAP Basis)		\$ 523,602	\$ 537,527

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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BOND AND INTEREST FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED:			
Property taxes	\$ 2,468,000	\$ 2,572,754	\$ 2,588,222
Charges for services	111,579	-	-
Investment earnings	38,000	13,967	38,203
Restricted federal aid			
Build america bond interest	34,366	34,366	-
TOTAL REVENUES RECEIVED	2,651,945	2,621,087	2,626,425
EXPENDITURES DISBURSED			
Debt service			
Bond interest	1,127,415	1,113,409	1,031,636
Principal retired	1,580,000	1,595,000	1,535,000
Other debt service	2,000	1,400	1,400
TOTAL EXPENDITURES DISBURSED	2,709,415	2,709,809	2,568,036
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	(57,470)	(88,722)	58,389
OTHER FINANCING SOURCES			
Transfer from operation and maintenance fund	-	111,579	-
TOTAL OTHER FINANCING SOURCES	-	111,579	-
NET CHANGE IN FUND BALANCE	\$ (57,470)	22,857	58,389
FUND BALANCE - Beginning (Budgetary Basis)		1,125,431	1,123,200
FUND BALANCE - Ending (Budgetary Basis)		1,148,288	1,181,589
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		17,829 ✓	(56,130)
To adjust for expenditure accruals		(444) ✓	(28)
FUND BALANCE - Ending (GAAP Basis)		\$ 1,165,673	\$ 1,125,431

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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WORKING CASH FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 308,600	\$ 320,710	\$ 314,748
Investment earnings	52,000	23,003	51,700
TOTAL REVENUES RECEIVED	<u>360,600</u>	<u>343,713</u>	<u>366,448</u>
NET CHANGE IN FUND BALANCE	<u>\$ 360,600</u>	343,713	366,448
FUND BALANCE - Beginning (Budgetary Basis)		<u>1,864,432</u>	<u>1,507,829</u>
FUND BALANCE - Ending (Budgetary Basis)		2,208,145	1,874,277
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		<u>3,550</u>	<u>(9,845)</u>
FUND BALANCE - Ending (GAAP Basis)		<u>\$ 2,211,695</u>	<u>\$ 1,864,432</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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SITE AND CONSTRUCTION FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Investment earnings	\$ 30,000	\$ 11,080	\$ -
TOTAL REVENUES RECEIVED	30,000	11,080	-
EXPENDITURES DISBURSED			
Current operating			
Support services			
Facilities acquisition and construction services	-	-	-
Capital outlay			
Facilities acquisition and construction services	3,030,444	2,741,791	-
TOTAL EXPENDITURES DISBURSED	3,030,444	2,741,791	-
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	(3,000,444)	(2,730,711)	-
OTHER FINANCING SOURCES (USES)			
Principal on bonds sold	3,000,000	3,000,000	-
Premium on bonds sold	57,999	57,999	-
Bond issuance costs	(57,555)	(57,555)	-
TOTAL OTHER FINANCING SOURCES (USES)	3,000,444	3,000,444	-
NET CHANGE IN FUND BALANCE	\$ -	269,733	-
FUND BALANCE - Beginning (Budgetary Basis)		-	-
FUND BALANCE - Ending (Budgetary Basis)		269,733	-
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		618	-
To adjust for expenditure accruals		(4,000)	-
FUND BALANCE - Ending (GAAP Basis)		\$ 266,351	\$ -

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 1 of 1

TORT IMMUNITY FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 339,000	\$ 337,302	\$ 364,415
Investment earnings	600	149	537
TOTAL REVENUES RECEIVED	<u>339,600</u>	<u>337,451</u>	<u>364,952</u>
EXPENDITURES DISBURSED			
Current			
Tort immunity	<u>352,363</u>	<u>389,316</u>	<u>392,109</u>
Total tort immunity	<u>352,363</u>	<u>389,316</u>	<u>392,109</u>
TOTAL EXPENDITURES DISBURSED	<u>352,363</u>	<u>389,316</u>	<u>392,109</u>
NET CHANGE IN FUND BALANCE	<u>\$ (12,763)</u>	<u>(51,865)</u>	<u>(27,157)</u>
FUND BALANCE - Beginning (Budgetary Basis)		75,105	-
REALLOCATE FROM EDUCATION FUND (SEE NOTE 5A)		-	109,955
FUND BALANCE - Ending (Budgetary Basis)		23,240	82,798
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		1,310	171
To adjust for expenditure accruals		<u>9,103</u>	<u>(7,864)</u>
FUND BALANCE - Ending (GAAP Basis)		<u>\$ 33,653</u>	<u>\$ 75,105</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 1 of 1

FIRE PREVENTION & SAFETY FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ -	\$ -	\$ -
Investment earnings	-	-	5,448
TOTAL REVENUES RECEIVED	<u>-</u>	<u>-</u>	<u>5,448</u>
EXPENDITURES DISBURSED			
Current			
Support services			
Facilities acquisition and construction services			
Purchased services	-	-	-
Total operations & maintenance services	-	-	-
Capital outlay			
Facilities acquisition and construction services	-	-	509,667
Total capital outlay	-	-	509,667
TOTAL EXPENDITURES DISBURSED	<u>-</u>	<u>-</u>	<u>509,667</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(504,219)</u>
FUND BALANCE - Beginning (Budgetary Basis)		<u>-</u>	<u>506,469</u>
FUND BALANCE - Ending (Budgetary Basis)		<u>-</u>	<u>2,250</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		-	(2,250)
To adjust for expenditure accruals		-	-
FUND BALANCE - Ending (GAAP Basis)		<u>\$ -</u>	<u>\$ -</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS

YEAR ENDED JUNE 30, 2010

Page 1 of 3

ASSETS	Balance			Balance
	June 30, 2009	Receipts	Disbursements	
Cash at district	\$ 248,040	\$ 288,282	\$ 295,215	\$ 241,107
LIABILITIES				
Amounts due to organizations:				
NORTH				
Activity Account	\$ 3,292	\$ 4,497	\$ 5,110	\$ 2,679
Adm. Center Pop Fund	851	-	-	851
Academic Decathlon	34	200	-	234
Adventure Club	743	-	-	743
Art Club	44	-	-	44
Athletics	1	-	-	1
Attendance Improvement	397	-	-	397
Badminton Club	25	30	-	55
Basketball Camp - Girls	952	480	-	1,432
Basketball Camp - Boys	39	-	240	(201)
Band Camp	1,081	1,835	1,367	1,549
Beautification - T.F.N.	322	-	-	322
Big Brother/Big Sister	215	-	-	215
Baseball Camp	165	-	-	165
Building Const. V.I.C.A.	(131)	-	-	(131)
Best Buddies	198	2,626	2,704	120
Business Professionals	192	896	1,041	47
Bowling Camp	540	90	150	480
Cap and Gown	586	-	-	586
Cheerleaders	1,392	-	-	1,392
Cheer Camp	130	-	-	130
Chess Club	211	396	260	347
Chronoscope	18,534	10,152	15,834	12,852
Class of 2008	9,611	-	3,992	5,619
Class of 2009	(367)	367	-	-
Class of 2010	1,278	1,291	1,457	1,112
Class of 2011	749	23,802	20,397	4,154
Class of 2012	194	1,563	-	1,757
Class of 2013	250	1,055	444	861
Concessions	1	-	-	1
Craft Club	(3)	80	40	37
Cultural Diversity Club	120	-	-	120
Distributive Education	250	-	-	250
Diversified Occupations	462	-	-	462
Drama	1,156	391	853	694
Environmental Club	243	2,122	1,562	803
Flower Fund	30	529	379	180
Faculty Workroom	1,532	787	644	1,675
Football Camp	4,472	2,145	5,127	1,490
International Club	212	152	113	251
Great Ideas Fund	1,621	-	1,621	-
History Club	330	1,658	2,130	(142)
Honors Trip	255	-	-	255
Interrelated Coop Education	308	-	-	308
Interest Account	\$ 9,844	\$ 69	\$ 56	\$ 9,857

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2010

Page 2 of 3

	Balance June 30, 2009	Receipts	Disbursements	Balance June 30, 2010
Jobs for Illinois Graduates	\$ 649	\$ -	\$ -	\$ 649
Mathletes	644	-	173	471
Memorial Fund - Jurek	390	-	-	390
Meteor Broadcasting	389	1,000	-	1,389
Monogram Club	5,338	2,889	3,609	4,618
Music	342	-	-	342
National Honor Society	1,142	2,913	2,998	1,057
North Football Lights	1,181	-	-	1,181
Needy Student Fund	1,689	-	285	1,404
Pep Club	40	-	-	40
Peer Mediators	281	-	85	196
Philanthropy Club	432	949	718	663
Physical Education Rental	2,649	21,733	15,269	9,113
Poetry Slam	396	-	-	396
Pom Poms - Meteorites	424	228	-	652
Pop Machine	3,669	7,890	9,875	1,684
Powerlifting	34	144	-	178
Principal's Leadership	5,847	3,061	3,997	4,911
PSE Student Incentive	525	3,000	496	3,029
Science & Tech - Auto Mech	982	-	-	982
Science & Tech - Pop	637	9,815	11,495	(1,043)
SICA Convention	1,345	-	840	505
Soccer Camp	3,035	1,420	-	4,455
Softball Camp	145	-	-	145
Special Education	89	-	-	89
Speech Club	42	-	201	(159)
Stat Girls	115	-	-	115
Student Council	3,243	8,251	8,009	3,485
Students Against Drunk Driving	745	205	551	399
Tennis Camp	525	-	-	525
TF Center Auto Technology	105	1,640	1,167	578
Thorntonian - Newspaper	3,154	9,922	4,545	8,531
Volleyball Camp	865	100	-	965
NORTH TOTAL	\$ 103,449	\$ 132,373	\$ 129,834	\$ 105,988
SOUTH				
American Field Services	\$ 4,730	\$ -	\$ 4,730	\$ -
Activity Executive Board	30	552	50	532
Athletic Invitational Fund	8,788	2,272	3,024	8,036
Band	5,625	2,599	8,470	(246)
Band Camp	4,625	8,475	9,060	4,040
Baseball Camp	1,095	525	355	1,265
Basketball Camp	2,000	975	467	2,508
Best Buddies	540	450	300	690
Boys Bowling	9	-	-	9
Class Concession Stand	926	2,823	3,154	595
Cap and Gown	68	-	30	38
Cheerleaders	30	-	-	30
Choral B	222	-	182	40
Chess	\$ -	\$ -	\$ 20	\$ (20)

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ACTIVITY FUNDS
 YEAR ENDED JUNE 30, 2010

Page 3 of 3

	Balance			Balance
	June 30, 2009	Receipts	Disbursements	June 30, 2010
Class of 2008	\$ 992	\$ 8	\$ 1,000	\$ -
Class of 2009	3,508	-	8	3,500
Class of 2010	2,729	1,182	1,368	2,543
Class of 2011	1,495	22,835	22,758	1,572
Class of 2012	1,030	1,890	919	2,001
Class of 2013	-	1,350	84	1,266
Cultural Diversity Club	1,001	5,002	1,217	4,786
Cooperative Work Training	452	-	-	452
Drama	3,064	6,492	7,836	1,720
Drama Camp	450	100	130	420
Environmental Club	377	142	49	470
Football Camp	6,795	4,115	2,345	8,565
FOR-Friends of Rachel	-	2,316	1,043	1,273
Foreign Language	298	141	96	343
Girls Basketball Camp	1,590	350	500	1,440
GSA	562	604	522	644
History Club	-	125	121	4
Interest Account	17,694	1,415	5,031	14,078
Literary Magazine	432	701	1,142	(9)
Learning Resource Center	-	210	-	210
J Misivas Memorial Drive	1,622	-	-	1,622
Joan Baldwin Memorial	598	-	-	598
Jobs for IL Grads	236	-	-	236
Math Fund	65	-	-	65
National Honor Society	(224)	4,134	2,976	934
Needy Student Fund	517	-	283	234
PE Rental Account	5,148	3,350	6,331	2,167
Pep Club	3,201	135	1,737	1,599
TV - Productions Club	243	161	-	404
Pom Pom	1,685	1,885	1,636	1,934
Postscript	(4,089)	25,990	21,378	523
Rebel Recognition	6,118	3,548	4,500	5,166
Rebel Rouser	12,480	15,067	11,149	16,398
Responsibility Comm	-	-	-	-
Rebel Spirit Committee	635	297	932	-
Students Against Drunk Driving	517	393	304	606
School Store	1,594	-	1,075	519
Scholastic Bowl	-	832	693	139
Special Programs	1,150	698	1,706	142
Social Studies Activities	661	-	-	661
Speech Club	95	78	-	173
Student Body Activity Fund	838	1,003	1,500	341
Student Leadership	1,497	425	1,912	10
Student Senate	9,760	13,620	13,048	10,332
Tri - S Club	7,616	-	1,000	6,616
T.F.S. Activity Office	7,342	10,095	11,818	5,619
T.F.S. Ambassadors	73	-	-	73
T.F.S. Principal's Award	-	-	-	-
Teachers Lounge Coke Machine	8,808	3,650	4,000	8,458
T.F.S. Teen Staff	344	219	480	83
Volleyball Camp	2,125	1,450	71	3,504
Vocational Coop Club	104	-	-	104
Weight Room Improvements	1,710	480	411	1,779
Wrestling Camp	965	750	430	1,285
SOUTH TOTAL	<u>144,591</u>	<u>155,909</u>	<u>165,381</u>	<u>135,119</u>
TOTAL LIABILITIES	<u>\$ 248,040</u>	<u>\$ 288,282</u>	<u>\$ 295,215</u>	<u>\$ 241,107</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF ASSESSED VALUATIONS, TAX LEVIES AND COLLECTIONS
JUNE 30, 2010

	<u>2009 Levy</u>	<u>2008 Levy</u>	<u>2007 Levy</u>
Equalized assessed valuation	<u>\$ 1,047,082,639</u>	<u>\$ 995,309,404</u>	<u>\$ 913,353,996</u>
Tax rates (per \$100 of assessed valuation)			
Educational	2.1024	2.0610	2.1727
Tort immunity	0.0342	0.0360	0.0438
Special education	0.0162	0.0170	0.0170
Operations and maintenance	0.2597	0.2730	0.2736
Bond and interest	0.2601	0.2739	0.2985
Transportation	0.0783	0.0721	0.0629
Municipal retirement	0.0245	0.0258	0.0301
Social security	0.0735	0.0773	0.0711
Working cash	<u>0.0324</u>	<u>0.0341</u>	<u>0.0356</u>
	<u>2.8813</u>	<u>2.8702</u>	<u>3.0053</u>
Extended tax levy			
Educational	\$ 22,021,900	\$ 20,520,780	\$ 19,844,442
Tort immunity	358,102	358,311	400,049
Special education	169,627	169,202	155,270
Operations and maintenance	2,719,273	2,717,194	2,498,936
Bond and interest	2,722,761	2,726,665	2,726,271
Transportation	819,865	717,618	574,499
Municipal retirement	256,535	256,789	274,919
Social security	769,605	769,374	649,394
Working Cash	<u>339,254</u>	<u>339,400</u>	<u>325,154</u>
	<u>\$ 30,176,922</u>	<u>\$ 28,575,333</u>	<u>\$ 27,448,934</u>
Taxes collected year ended:			
June 30, 2010	\$ 13,726,550	\$ 14,613,763	\$ (606,060)
June 30, 2009	-	12,024,590	14,240,246
June 30, 2008	-	-	11,646,776
Total collected	<u>\$ 13,726,550</u>	<u>\$ 26,638,353</u>	<u>\$ 25,280,962</u>
Percent collected	<u>45.49%</u>	<u>93.22%</u>	<u>92.10%</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF DEBT SERVICE REQUIREMENTS
JUNE 30, 2010

Year Ended June 30,	Series 2002 Dated 12/15/02		Series 2003 Dated 2/1/03		Series 2005 Dated 7/14/03		Series 2006 Dated 12/1/06		Series 2009A Dated 6/23/09		Series 2009B Dated 6/23/09		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 430,000	\$ 321,395	\$ 385,000	\$ 276,353	\$ 235,000	\$ 214,413	\$ 610,000	\$ 84,788	\$ 55,000	\$ 52,400	\$ -	\$ 109,438	\$ 2,773,797
2012	450,000	301,595	400,000	257,700	245,000	204,054	640,000	58,225	105,000	50,262	-	109,438	2,821,274
2013	470,000	280,895	420,000	237,200	255,000	192,804	665,000	30,494	110,000	47,575	-	109,438	2,818,406
2014	490,000	259,295	445,000	218,245	270,000	180,991	385,000	8,181	110,000	44,440	-	109,438	2,520,590
2015	510,000	236,795	460,000	200,820	280,000	168,616	-	-	115,000	40,840	-	109,438	2,121,509
2016	535,000	213,282	480,000	182,250	295,000	156,416	-	-	120,000	36,000	-	109,438	2,127,386
2017	560,000	188,645	495,000	162,503	305,000	144,416	-	-	125,000	29,875	-	109,437	2,119,876
2018	585,000	163,468	520,000	141,435	320,000	131,916	-	-	130,000	23,500	-	109,437	2,124,756
2019	610,000	137,470	540,000	118,905	330,000	118,916	-	-	135,000	16,875	-	109,437	2,116,603
2020	635,000	109,762	565,000	94,863	345,000	105,416	-	-	145,000	9,875	-	109,437	2,119,355
2021	665,000	80,512	590,000	69,455	355,000	91,416	-	-	125,000	3,125	30,000	108,519	2,118,027
2022	695,000	49,565	615,000	42,637	370,000	76,731	-	-	-	-	160,000	102,700	2,111,633
2023	730,000	16,799	640,000	14,400	385,000	61,206	-	-	-	-	165,000	92,747	2,105,143
2024	-	-	-	-	400,000	45,015	-	-	-	-	175,000	82,334	702,349
2025	-	-	-	-	420,000	27,735	-	-	-	-	180,000	71,237	698,972
2026	-	-	-	-	435,000	9,353	-	-	-	-	185,000	59,603	688,956
2027	-	-	-	-	-	-	-	-	-	-	195,000	47,491	242,491
2028	-	-	-	-	-	-	-	-	-	-	205,000	34,612	239,612
2029	-	-	-	-	-	-	-	-	-	-	210,000	21,125	231,125
2030	-	-	-	-	-	-	-	-	-	-	220,000	7,150	227,150
	<u>\$ 7,365,000</u>	<u>\$ 2,359,469</u>	<u>\$ 6,555,000</u>	<u>\$ 2,016,778</u>	<u>\$ 5,245,000</u>	<u>\$ 1,929,414</u>	<u>\$ 2,300,000</u>	<u>\$ 181,688</u>	<u>\$ 1,275,000</u>	<u>\$ 354,767</u>	<u>\$ 1,725,000</u>	<u>\$ 1,721,894</u>	<u>\$ 33,029,010</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF LEGAL DEBT MARGIN
JUNE 30, 2010

Equalized Assessed Valuation - 2009 Tax Levy Year	<u>\$ 1,047,082,639</u>
	<u>Amount</u>
Legal debt limitation (6.9% of equalized assessed valuation)	\$ 72,248,702
General Obligation Debt Outstanding at June 30, 2010	<u>24,716,944</u>
Legal debt margin	<u>\$ 47,531,758</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2010-1 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

Statement on Auditing Standard (SAS) No. 112, Communicating Internal Control Related Matters Identified in an audit is concerned specifically with financial statement misstatements. The standard indicates that depending on the financial statements prepared for the District, including footnote disclosures, and knowledgeable employees, the inability of the District to prepare financial statements and footnote disclosures in accordance with the basis of accounting used by the District would be a material weakness.

4. Condition

The District does not currently require personnel to have the industry-specific training, knowledge or level of skill needed to prepare its financial statements.

5. Context¹²

None

6. Effect

It was necessary for the auditors to propose a number of adjusting journal entries that were approved in advance by management and to prepare the District's financial statements, including the appropriate disclosures.

7. Cause

None

8. Recommendation

Management should consider the current capabilities of employees and the amount of additional expense the District would incur as a result of training or hiring individuals with the necessary skills and knowledge to produce financial statements including footnote disclosures.

9. Management's response¹³

Management believes it is in the best interest of the District to continue to retain the auditing firm to assist in the preparation of its financial statements including footnote disclosures in conjunction with the year end audit.

For ISBE Review	
Date:	Resolution/Criteria Code Number:
Initials:	Disposition of Questioned Costs Code Letter:

¹¹ A suggested format for assigning reference numbers is to use the last two digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2003 would be assigned a reference number of 02-01, 02-02, etc.

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2010-2 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: PERKINS GRANT- VE- TITLE IIC- SECONDARY

4. Project No.: 2010-4745-00 5. CFDA No.: 84.048A

6. Passed Through: PASSED THROUGH CAREER DEVELOPMENT SYSTEMS- REGIONAL AREA COOP (CDS)

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The compliance requirement for "L. reporting" generally requires that LEA's report financial information to the pass-through entity and that these reports are accurate and supported by the underlying accounting records.

9. Condition¹⁵
Expenditures reported to CDS for capital expenditures from 1000-500 were overstated by \$117 due to an error by the District. Shipping costs reported that were not actually billed were reported and reimbursed.

10. Questioned Costs¹⁶
\$117 is questioned costs computed from Item 9 above.

11. Context¹⁷
The amount of Questioned Costs is deemed immaterial.

12. Effect
\$117 of the grant was not expended and CDS did not have the information to make that determination.

13. Cause
Policies and Procedures in place provide reasonable assurance that reports of federal awards submitted to CDS are supported by underlying accounting records and fairly presented in accordance with program requirements were not followed when the Expenditure Report was prepared and filed.

14. Recommendation
Management should review its policies and procedures and implement changes to strengthen internal control over federal reporting. Thorough review of the reports and comparison to underlying accounting records should be performed prior to submission.

15. Management's response¹⁸
We agree with the findings and recommendations as presented.

For ISBE Review	
Date: _____	Resolution Criteria Code Number: _____
Initials: _____	Disposition of Questioned Costs Code Letter: _____

¹⁴ See footnote 11.
¹⁵ Include facts that support the deficiency identified on the audit finding.
¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.
¹⁷ See footnote 12.
¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

John Kasperek Co., Inc.

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

Board of Education
Thornton Fractional Township High School District No. 215
Calumet City, Illinois

Compliance

We have audited Thornton Fractional Township High School District No. 215's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Thornton Fractional Township High School District No. 215's major federal programs for the year ended June 30, 2010. Thornton Fractional Township High School District No. 215's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Thornton Fractional Township High School District No. 215's management. Our responsibility is to express an opinion on Thornton Fractional Township High School District No. 215's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Thornton Fractional Township High School District No. 215's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Thornton Fractional Township High School District No. 215's compliance with those requirements.

In our opinion, Thornton Fractional Township High School District No. 215 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2010-2.

Internal Control Over Compliance

Management of Thornton Fractional Township High School District No. 215 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Thornton Fractional Township High School District No. 215's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Thornton Fractional Township High School District No. 215's internal control over compliance.

Board of Education
Thornton Fractional Township High School District No. 215

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215 as of and for the year ended June 30, 2010, and have issued our report thereon dated December 1, 2010. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Thornton Fractional Township High School District No. 215 financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Thornton Fractional Township High School District No. 215 response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Thornton Fractional Township High School District No. 215's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the School Board, others within the entity, the Illinois State Board of Education, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

John Kasperik Co., Inc

Calumet City, IL
December 1, 2010

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2010

DISTRICT/JOINT AGREEMENT NAME THORNTON FRACTIONAL TOWNSHIP	RCDT NUMBER 07-016-2150-17	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-003685	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) DR. CREG WILLIAMS	NAME AND ADDRESS OF AUDIT FIRM JOHN KASPEREK CO., INC. 1471 RING ROAD CALUMET CITY		
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 1601 WENTWORTH AVENUE CALUMET CITY 60409		E-MAIL ADDRESS jkasperek@kasperekcpa.com	NAME OF AUDIT SUPERVISOR JOHN KASPEREK, JR., CPA
		CPA FIRM TELEPHONE NUMBER (708) 862-2262	FAX NUMBER (708) 891-3396

THE FOLLOWING INFORMATION **MUST** BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- Copy of Federal Data Collection Form § .320 (b)

THORN FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17

A-133 SINGLE AUDIT INFORMATION CHECKLIST

The following checklist is OPTIONAL; it is not a required form for completion of A-133 Single Audit information. The purpose of the checklist is to assist in determining if appropriate information has been correctly completed within the Annual Financial Report (AFR). This is not a complete listing of all A-133 requirements, but highlights some of the more common errors found during ISBE reviews.

GENERAL INFORMATION

1. Signed copies of audit opinion letters have been included with audit package submitted to ISBE.
2. All opinion letters use the most current audit language as mandated in SAS 112 and other pronouncements.
3. ALL Single Audit forms within the AFR Excel workbook have been completed, where appropriate.
- For those forms that are not applicable, "N/A" or similar language has been indicated.
4. ALL Federal revenues reported in FRIS Report 0053 (Summary of Payments) are accounted for in the Schedule of Expenditures of Federal Awards (SEFA).
Programs funded through ARRA are identified separately in SEFA
5. Federal revenues reported on the AFR reconcile to Federal revenues reported on the SEFA.
- Verify or reconcile on reconciliation worksheet.
6. The value of COMMODITIES has been included within the AFR on the INDIRECT COSTS page (IND COST INFO 30) on Line 12.
It should not be included in the Statement of Revenues Received (REVENUES 9-14) within the AFR Accounts 4210 - 4299.
Those accounts are specific cash programs, not non-cash assistance such as COMMODITIES.
7. Complete audit package (Data Collection Form, audit reports, etc.) has been submitted to the Federal Audit Clearinghouse in Jeffersonville, Indiana.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

8. Programs funded through ARRA (Federal Stimulus funds) are identified separately from "regular" Federal programs
- Program name includes "ARRA - " prefix
- Correct ARRA CFDA and ISBE program numbers are listed
9. All prior year's projects are included and reconciled to final FRIS report amounts.
- Including revenue and expenditure/disbursement amounts.
10. All current year's projects are included and reconciled to most recent FRIS report filed.
- Including revenue and expenditure/disbursement amounts.
11. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, with discrepancies reported as Questioned Costs.
12. Child Nutrition Programs (CNP) are included on the SEFA:
Project year runs from October 1 to September 30, so projects will cross fiscal year;
This means that audited year revenues will include funds from both the prior year and current year projects.
13. Each CNP project should be reported on separate line (one line per project year per program).
14. Total CNP Revenue amounts are consistent with grant amounts awarded by ISBE for each program by project year.
15. Total CNP Expenditure amounts are consistent with grant amounts awarded by ISBE for each program by project year.
16. Exceptions should result in a finding with Questioned Costs.
17. The total value of COMMODITIES has been reported on the SEFA (CFDA 10.550).
- The value is determined from the following, with each item on a separate line:
* Non-Cash Commodities: Monthly Commodities Bulletin for April (From the Illinois Commodities System accessed through ISBE web site)
Total commodities = A PAL Allocated + B PAL Allocated + Processing Deductions + Total Bonus Allocated
* Non-Cash Commodities: Commodities information for non-cash items received through Preferred Meal Systems
Districts should track separately through year; no specific report available from ISBE
* Department of Defense Fresh Fruits and Vegetables (District should track through year)
- The two commodity programs should be reported on separate lines on the SEFA.
* Amounts verified for Fresh Fruits and Vegetables cash grant program (ISBE code 4240)
CFDA number: 10.582
18. TOTALS have been calculated for Federal revenue and expenditure amounts.
19. Obligations and Encumbrances are included where appropriate.
20. FINAL STATUS amounts are calculated, where appropriate.
21. Medicaid Fee-for-Service funds and E-Rate reimbursements have not been included on the SEFA.
22. All programs tested (not just Type A programs) are indicated by either an * or (M) on the SEFA.
23. NOTES TO THE SEFA within the AFR Excel workbook (SEFA-2) have been completed.
Including, but not limited to:
24. Basis of Accounting
25. Name of Entity
26. Type of Financial Statements
27. Subrecipient information (Mark "N/A" if not applicable)
* ARRA funds are listed separately from "regular" Federal awards

SUMMARY OF AUDITOR RESULTS/FINDINGS/CORRECTIVE ACTION PLAN

28. Audit opinions expressed in opinion letters match opinions reported in Summary.
29. All Summary of Auditor Results questions have been answered.
30. All tested programs are listed.
31. Correct testing threshold has been entered. (OMB A-133, §_520)

Findings have been filled out completely and correctly (if none, mark "N/A").

32. Financial Statement and/or Federal Awards Findings information has been completely filled out for each finding.
33. Finding completed for each Significant Deficiency and for each Material Weakness noted in opinion letters.
33. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
34. Separate finding sheet for each finding on programs (e.g., excess interest earned and unallowable expenditures are two findings and should be reported separately, even if both are on same program).
35. Questioned Costs have been calculated where there are questioned costs.
36. Questioned Costs are separated by fiscal year and by project.
37. Questioned Costs have been calculated for Interest Earned on Excess Cash on Hand.
- Should be based on actual amount of interest earned
38. A CORRECTIVE ACTION PLAN has been completed for each finding.
- Including Finding number, action plan details, projected date of completion, name and title of contact person

07-016-2150-17
THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/08-6/30/09 (C)	Year 7/1/09-6/30/10 (D)	Year 7/1/08-6/30/09 (E)	Year 7/1/09-6/30/10 (F)			
PASSED THROUGH ILLINOIS STATE BOARD OF EDUCATION (ISBE):									
FROM US DEPT. OF AGRICULTURE:									
NATIONAL SCHOOL LUNCH PROGRAM	10.555	2009-4210-00	461,336	132,372	472,444	130,376	-	602,820	N/A
NATIONAL SCHOOL LUNCH PROGRAM	10.555	2010-4210-00	-	573,780	-	584,509	-	584,509	N/A
NATIONAL SCHOOL LUNCH PROGRAM COMMODITIES	10.555	001607700A2010	-	47,954	-	47,954	-	47,954	N/A
DEPT. OF DEFENSE FRESH FRUITS AND VEGETABLES	10.582	001607700A2010	-	12,259	-	12,259	-	12,259	N/A
TOTAL CHILD NUTRITION CLUSTER (M)			461,336	766,365	472,444	775,098	-	1,247,542	
FROM US DEPT. OF EDUCATION:									
TITLE V - INNOVATIVE PROGRAMS- FORMULA	84.298	2009-4100-00	82	362	2,362	-	-	2,362	2,362
TITLE IV - SAFE AND DRUG- FREE SCHOOLS- FORMULA	84.186	2009-4400-00	2,838	7,028	12,621	999	-	13,620	17,028
TITLE IV - SAFE AND DRUG- FREE SCHOOLS- FORMULA	84.186	2010-4400-00	-	5,592	-	5,791	5,640	11,431	15,214
TITLE II - TEACHER QUALITY	84.367	2009-4932-00	87,631	17,210	115,548	8,551	-	124,099	146,386
TITLE II - TEACHER QUALITY	84.367	2010-4932-00	-	68,619	-	95,396	-	95,396	130,747
TECHNOLOGY - ENHANCING EDUCATION- FORMULA	84.318	2009-4971-00	7,651	319	7,970	-	-	7,970	7,970
TITLE I - LOW INCOME (M)	84.010A	2009-4300-00	270,853	230,063	413,208	73,683	-	486,891	574,252
TITLE I - LOW INCOME (M)	84.010A	2010-4300-00	-	432,514	-	625,642	29,827	655,469	733,674
ARRA-TITLE I - LOW INCOME (M)	84.389	2010-4851-00	-	215,000	-	283,213	6,358	289,571	289,571
ARRA - GENERAL STATE AID SEC. 18-8 (M)	84.394	2010-4850-00	-	1,647,000	-	1,646,700	-	1,646,700	N/A
ARRA - GENERAL STATE AID SEC. 18-8 (M)	84.394	2010-4870-00	-	548,037	-	548,037	-	548,037	N/A
TOTAL FROM US DEPT. OF EDUCATION			369,055	3,171,744	551,709	3,288,012	41,825	3,881,548	
PASSED THROUGH ISBE EXCEPTIONAL CHILDREN HAVE OPPORTUNITIES (ECHO):									
FROM US DEPT. OF EDUCATION:									
IDEA ROOM AND BOARD EXCESS COST	84.027A	2009-4825-XC	-	2,257	2,257	-	-	2,257	N/A
IDEA ROOM AND BOARD	84.027A	2009-4625-00	41,174	50,478	76,114	15,538	-	91,652	N/A
IDEA ROOM AND BOARD	84.027A	2010-4825-00	-	-	-	67,911	-	67,911	N/A

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17

RECONCILIATION OF FEDERAL REVENUES

Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$ 5,701,151
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		60,213
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 268	Account 4992	(170,492)
AFR TOTAL FEDERAL REVENUES:		\$ 5,590,872

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

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ADJUSTED AFR FEDERAL REVENUES \$ 5,590,872

Total Current Year Federal Revenues Reported on SEFA:
Federal Revenues Column D \$ 5,562,549

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

Peoria School District 7% fee for processing Medicaid \$ (6,043)
Admin Outreach (86,310 x .07 =6,043)**

***Deducted from gross, School District receives net.

Build America Bond Interest Reimbursement \$ 34,366

ADJUSTED SEFA FEDERAL REVENUE: \$ 5,590,872

DIFFERENCE: \$ -

IDEA FLOW THROUGH	84.027	2010-4620-00	-	519,394	-	519,394	-	519,394	579,982
ARRA- IDEA FLOW THROUGH	84.391	2010-4857-00	-	775,499	-	778,921	-	778,921	778,921
TOTAL SPECIAL ED CLUSTER (M)			41,174	1,347,628	78,371	1,381,764	-	1,460,135	
PASSED THROUGH CAREER DEVELOPMENT SYSTEMS- REGIONAL AREA COOP (CDS)									
FROM US DEPT OF EDUCATION:									
PERKINS GRANT- VE- TITLE IIC- SECONDARY	84.048A	2010-4745-00	-	113,846	-	113,846	-	113,846	113,846
PERKINS GRANT- VE- TITLE IIIE- TECH PREP	84.243	2009-4770-00	1,815	4,185	6,000	-	-	6,000	6,000
PERKINS GRANT- VE- TITLE IIIE- TECH PREP	84.243	2010-4770-00	-	6,000	-	6,000	-	6,000	6,000
TOTAL PASSED THROUGH CDS			1,815	124,031	6,000	119,846	-	125,846	
PASSED THROUGH IDPA & PEORIA SCHOOL DISTRICT:									
FROM US DEPT. OF HEALTH AND HUMAN SERVICES:									
MEDICAID ADMINISTRATIVE OUTREACH PROGRAM	93.778	2009-4991-00	88,264	59,932	148,196	-	-	148,196	N/A
MEDICAID ADMINISTRATIVE OUTREACH PROGRAM	93.778	2010-4991-00	-	56,315	-	103,716	-	103,716	N/A
TOTAL MEDICAID ADMINISTRATIVE OUTREACH PROGRAM			88,264	116,247	148,196	103,716	-	251,912	
PASSED THROUGH SOUTH COOK INTERMEDIATE SERVICE CENTER									
FROM US DEPT. OF EDUCATION:									
TITLE I -SCHOOL IMPROVEMENT (M)	84.010	2010-4331-00	-	33,100	-	33,100	-	33,100	33,100
PASSED THROUGH WILL COUNTY REGIONAL OFFICE OF EDUCATION									
FROM US DEPT. OF EDUCATION:									
MCKINNEY-VENTO HOMELESS EDUCATION TITLE VII	84.387	2010-4862-00	-	3,434	-	-	-	-	3,434
TOTAL FEDERAL AWARDS			961,644	5,562,549	1,256,720	5,701,536	41,825	7,000,081	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ² When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ³ When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

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THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2010

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Thornton Fractional Township High School 215 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic financial statements.

Note 2: Subrecipients⁶

There are no amounts provided to subrecipients from each Federal Program listed on the accompanying schedule of expenditures of federal awards.

⁵ This note is included to meet the Circular A-133 requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

⁶

Circular A-133 requires the schedule of expenditures of federal awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipie

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL #215
07-016-2150-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: **QUALIFIED/ADVERSE**
(Unqualified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? **X** YES NO
- Significant Deficiency(s) identified that are not considered to be material weakness(es) YES **X** None Reported
- Noncompliance material to financial statements noted? YES **X** NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? YES **X** NO
- Significant Deficiency(s) identified that are not considered to be material weakness(es) YES **X** None Reported

Type of auditor's report issued on compliance for major programs: **UNQUALIFIED**
(Unqualified, Qualified, Adverse, Disclaimer)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)? **X** YES NO

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
10.555	CHILD NUTRITION CLUSTER
84.010A, 84.389	TITLE I- LOW INCOME, ARRA-Title I
84.027A, 84.027, 84.391	IDEA SPECIAL EDUCATION CLUSTER, ARRA IDEA
84.010	SOUTH COOK INTERMEDIATE
84.394	ARRA-GENERAL STATE AID SEC 18-8

Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000.00**

Auditee qualified as low-risk auditee? YES **X** NO

⁷ If the audit report for one or more major programs is other than unqualified, indicate the type of report issued for each program. Example: "Unqualified for all major programs except for [name of program], which was qualified and [name of program], which was a disclaimer."

⁸ Major programs should generally be reported in the same order as they appear on the SEFA.

⁹ When the CFDA number is not available, include other identifying number, if applicable.

¹⁰ The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2010-1 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

Statement on Auditing Standard (SAS) No. 112, Communicating Internal Control Related Matters Identified in an audit is concerned specifically with financial statement misstatements. The standard indicates that depending on the financial statements prepared for the District, including footnote disclosures, and knowledgeable employees, the inability of the District to prepare financial statements and footnote disclosures in accordance with the basis of accounting used by the District would be a material weakness.

4. Condition

The District does not currently require personnel to have the industry-specific training, knowledge or level of skill needed to prepare its financial statements.

5. Context¹²

None

6. Effect

It was necessary for the auditors to propose a number of adjusting journal entries that were approved in advance by management and to prepare the District's financial statements, including the appropriate disclosures.

7. Cause

None

8. Recommendation

Management should consider the current capabilities of employees and the amount of additional expense the District would incur as a result of training or hiring individuals with the necessary skills and knowledge to produce financial statements including footnote disclosures.

9. Management's response¹³

Management believes it is in the best interest of the District to continue to retain the auditing firm to assist in the preparation of its financial statements including footnote disclosures in conjunction with the year end audit.

For ISBE Review

Date: _____ Resolution Criteria Code Number _____
Initials: _____ Disposition of Questioned Costs Code Letter _____

¹¹ A suggested format for assigning reference numbers is to use the last two digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2003 would be assigned a reference number of 02-01, 02-02, etc.

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2010

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> ²⁰
2009-1	The School District is not properly complying with the requirements of verifying free and reduced price applications.	Corrective Action completed.
2009-2	Expenditures reported to ISBE for salary expenditures from 2210-300 were overstated by \$3,499 due to an error by the District. A check for \$3,499 was voided by District, but the void not considered in reporting expenditures.	Corrective Action completed.
2009-3	Expenditures reported to ISBE for salary expenditures from 3000-300 were overstated by \$300 due to an error by the District in claiming certain expenditures against both the 2008 and 2009 grants.	Corrective Action completed.

When possible, all prior findings should be on the same page

¹⁹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2010

Corrective Action Plan

Finding No.: 2010-1

Condition:
See Financial Statement Finding Number 2010-1.

Plan:
See Financial Statement Finding Number 2010-1.

Anticipated Date of Completion: N/A
Name of Contact Person: Dr. Creg Williams, Superintendent
Management Response: N/A

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2010

Corrective Action Plan

Finding No.: 2010-2

Condition:
See Federal Award Finding Number 2010-2.

Plan:
See Federal Award Finding Number 2010-2.

Anticipated Date of Completion: As soon as possible.
Name of Contact Person: Dr. Creg Williams, Superintendent
Management Response: See Federal Award Finding Number 2010-2.

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

FINAL OFFICIAL STATEMENT

NEW ISSUE
BOOK-ENTRY ONLY
BANK QUALIFIED

RATING:
STANDARD & POOR'S: "AA-" (STABLE OUTLOOK)
See "BOND RATING" herein

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

**Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)
\$6,975,000 General Obligation Limited School Bonds, Series 2011**

Dated: May 17, 2011

Due: December 1, as shown on the inside cover page

The General Obligation Limited School Bonds, Series 2011 (the "Bonds"), of Township High School District Number 215, Cook County, Illinois (the "District"), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing December 1, 2011.


Proceeds of the Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Bonds, and (iii) pay costs associated with the issuance of the Bonds.

The Bonds due on or after December 1, 2021, are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2020, at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District, are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by law. See "THE BONDS—Security" herein.

The Bonds are offered when, as and if issued by the District and received by BMO Capital Markets GKST Inc., Chicago, Illinois, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about May 17, 2011.

The date of this Official Statement is April 28, 2011.

BMO  **Capital Markets**

**Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)**

\$6,975,000 GENERAL OBLIGATION LIMITED SCHOOL BONDS, SERIES 2011

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER* (215651)
2013	\$ 25,000	3.000%	2.000%	HG8
2014	330,000	3.000%	2.150%	HH6
2015	340,000	3.250%	2.450%	HJ2
2016	350,000	3.500%	2.850%	HK9
2017	365,000	4.000%	3.200%	HL7
2018	380,000	4.250%	3.500%	HM5
2019	395,000	4.500%	3.800%	HN3
2020	415,000	4.750%	4.050%	HP8
2021	435,000	4.300%	4.200%	HQ6
2022	450,000	5.000%	4.380%	HR4
2023	475,000	4.625%	4.650%	HS2
2024	495,000	4.750%	4.800%	HT0
2025	520,000	4.875%	4.950%	HU7
2026	545,000	5.000%	5.100%	HV5
2027	570,000	5.100%	5.200%	HW3
2028	600,000	5.125%	5.300%	HX1
2029	285,000	5.250%	5.400%	HY9

* CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. Copyright 2011. American Bankers Association. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or BMO Capital Markets GKST Inc., Chicago, Illinois (the "Underwriter"), to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT SUMMARY

This offering of Bonds is made only by means of the Official Statement in its entirety. No person shall be authorized to detach this Summary from the Official Statement or to otherwise use this Summary without the Official Statement in its entirety.

Issuer:	Township High School District Number 215, Cook County, Illinois.
Issue:	\$6,975,000 General Obligation Limited School Bonds, Series 2011.
Dated Date:.....	May 17, 2011.
Book-Entry-Only Form:.....	The Bonds are issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, in \$5,000 denominations or integral multiples thereof, and will be in Book-Entry-Only Form.
Expected Delivery Date:	May 17, 2011.
Interest Payment Dates:	Each June 1 and December 1, commencing December 1, 2011.
Principal Payment Dates:	Each December 1, beginning December 1, 2013, and ending December 1, 2029, as described on the inside cover page of this Official Statement.
Record Date:.....	The close of the business day on the 15th day of the calendar month next preceding any principal or interest payment date.
Optional Redemption:	The Bonds due on or after December 1, 2021, are subject to optional redemption prior to maturity on December 1, 2020, and on any date thereafter, at a price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.
Authority and Purpose:	The Bonds are being issued pursuant to the School Code of the State of Illinois, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and a bond resolution adopted by the Board of Education of the District on the 26th day of April, 2011, as supplemented by a notification of sale.

Proceeds of the Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Bonds, and (iii) pay costs associated with the issuance of the Bonds.

Security: In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by law. See "THE BONDS—Security" herein.

Tax Exemption: Chapman and Cutler LLP will provide an opinion as to the federal tax exemption of the interest on the Bonds. See "APPENDIX B—Proposed Form of Opinion of Bond Counsel."

Paying Agent/Registrar: UMB Bank, National Association, Kansas City, Missouri.

Bond Ratings: Standard & Poor's Ratings Services, New York, New York has assigned the Bonds a rating of "AA-" (stable outlook).

Legal Opinion: Chapman and Cutler LLP, Chicago, Illinois.

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EXHIBITS

- Exhibit A — Combined Statement of Revenues, Expenditures and Changes in Fund Balance, 2006-2010
- Exhibit B — General Fund Revenue Sources, Fiscal Years Ending June 30, 2006-2010

APPENDICES

- Appendix A — Proposed Form of Opinion of Bond Counsel
- Appendix B — Continuing Disclosure Undertaking
- Appendix C — Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2010

**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
(THORNTON FRACTIONAL)**

1601 Wentworth Avenue
Calumet City, Illinois 60409

Board of Education⁽¹⁾

Richard Dust
President

Robin L. Beymer

LeeAnn Revis
Secretary

Don Swibes

James Gigliotti

Charles Maricich
Vice President

Roger Yochem

Administration

Dr. Creg E. Williams
Superintendent

Charles DiMartino
Director of Finance

Professional Services

Underwriter
BMO Capital Markets GKST Inc.
Chicago, Illinois

Bond Counsel and Disclosure Counsel
Chapman and Cutler LLP
Chicago, Illinois

Bond Registrar and Paying Agent
UMB Bank, National Association
Kansas City, Missouri

Auditor
John Kasperek Co., Inc.
Calumet City, Illinois

⁽¹⁾ A new board will be seated at a special meeting of the board to be held on May 3, 2011, as a result of the consolidated election held on April 5, 2011.

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OFFICIAL STATEMENT

**Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)
\$6,975,000 General Obligation Limited School Bonds, Series 2011**

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Township High School District Number 215, Cook County, Illinois (the "*District*" or the "*Issuer*"), in connection with the offering and sale of its General Obligation Limited School Bonds, Series 2011 (the "*Bonds*").

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the "*School Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto, and a bond resolution (the "*Bond Resolution*") adopted by the Board of Education of the District (the "*Board*") on the 26th day of April, 2011, as supplemented by a notification of sale.

Proceeds of the Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Bonds, and (iii) pay costs associated with the issuance of the Bonds.

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York ("*DTC*"). Principal of and interest on the Bonds will be payable by UMB Bank, National Association, Kansas City, Missouri (the "*Registrar*").

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning December 1, 2011.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the

person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

REGISTRATION AND TRANSFER

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

REDEMPTION

Optional Redemption. The Bonds due on or after December 1, 2021, are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Registrar), on December 1, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

General. The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the

Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel ("*Bond Counsel*"), will constitute valid and legally binding obligations of the District, are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Limitation Law*").

The Debt Reform Act provides that the Bonds are payable solely from the debt service extension base of the District (the "*Base*"), which is an amount equal to that portion of the extension for the District for the 1994 levy year constituting an extension for payment of principal of and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year pursuant to Public Act 96-501, commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Limitation Law) during the 12-month calendar year preceding the levy year. The Limitation

Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

The Bonds constitute one of two series of limited bonds of the District that are payable from the Base. Payments on the Bonds from the Base will be made on a parity with the payments on the District's outstanding Limited Tax School Bonds, Series 2006. The District is authorized to issue from time to time additional limited bonds payable from the Base and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

The amount of the Base has been determined to be \$743,591.92, which is calculated as follows:

Original Debt Service Extension Base	\$712,630.00
Levy Year 2009 0.1% CPI Increase	<u>712.63</u>
Debt Service Extension Base Levy Year 2009	\$713,342.63
Levy Year 2010 2.7% CPI Increase	<u>19,260.25</u>
Debt Service Extension Base Levy Year 2010	\$732,602.88
Levy Year 2011 1.5% CPI Increase	<u>10,989.04</u>
Debt Service Extension Base Levy Year 2011	\$743,591.92

The following chart shows the Base of the District, the debt service payable on the outstanding non-referendum bonds of the District and the Bonds, and the available Base after the issuance of the Bonds.

DEBT SERVICE EXTENSION BASE AVAILABILITY AFTER ISSUANCE OF THE BONDS

LEVY YEAR	DEBT SERVICE ON OUTSTANDING NON-REFERENDUM BONDS	PLUS: DEBT SERVICE ON THE BONDS ⁽¹⁾	TOTAL DEBT SERVICE ON NON-REFERENDUM BONDS	DEBT SERVICE EXTENSION BASE	UNUSED DEBT SERVICE EXTENSION BASE
2011	\$709,625.00	\$ 33,966.00	\$743,591.00	\$743,591.92	\$ 0.92
2012	401,362.50	341,256.26	742,618.76	743,591.92	973.16
2013		645,506.26	645,506.26	743,591.92	98,085.66
2014		645,606.26	645,606.26	743,591.92	97,985.66
2015		644,556.26	644,556.26	743,591.92	99,035.66
2016		647,306.26	647,306.26	743,591.92	96,285.66
2017		647,706.26	647,706.26	743,591.92	95,885.66
2018		646,556.26	646,556.26	743,591.92	97,035.66
2019		648,781.26	648,781.26	743,591.92	94,810.66
2020		649,068.76	649,068.76	743,591.92	94,523.16
2021		645,363.76	645,363.76	743,591.92	98,228.16
2022		647,863.76	645,863.76	743,591.92	95,728.16
2023		645,895.00	645,895.00	743,591.92	97,696.92
2024		647,382.50	647,382.50	743,591.92	96,209.42
2025		647,032.50	647,032.50	743,591.92	96,559.42
2026		644,782.50	644,782.50	743,591.92	98,809.42
2027		645,712.50	645,712.50	743,591.92	97,879.42
2028		299,962.50	299,962.50	743,591.92	443,629.42

(1) Does not include capitalized interest on the Bonds due on December 1, 2011, June 1, 2012 and December 1, 2012, in the aggregate amount of \$452,717.24 for which a tax will not be levied.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the Bonds. Such Bond Resolution will be filed with the County Clerk of Cook County, Illinois (the "County Clerk") and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Resolution.

Reference is made to Appendix B for the proposed form of opinion of Bond Counsel.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	
Principal Amount	\$6,975,000.00
Original Issue Premium	<u>100,258.60</u>
Total Sources	\$7,075,258.60
USES:	
Deposit to Working Cash Fund	\$6,504,241.36
Payment of Capitalized Interest	452,717.24
Costs of Issuance*	<u>118,300.00</u>
Total Uses	\$7,075,258.60

* Includes underwriter's discount and other issuance costs.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial

relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "*Commission*"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

THE DISTRICT

GENERAL DESCRIPTION

The District is situated in Southern Cook County (the "*County*") and comprises an area of approximately 14 square miles. The District serves the Village of Lansing, most of the

Village of Burnham, about half of the City of Calumet City and a small portion of the Village of Lynwood (collectively, the "*Municipalities*"). According to the 2000 U.S. Census, the population of the District is 60,779.

The District is located approximately 27 miles south of downtown Chicago and approximately 25 miles southeast of Midway Airport. Transportation needs are served by I-294/Tri-State Tollway, I-94/I-80 and I-90 as well as major local roads such as Torrence Avenue, Burnham Avenue and Ridge Road. Commuter service to downtown is provided by Metra's Electric Line. Travel time to the downtown station is about 45 minutes. Local bus service to surrounding communities is available from Pace.

The District provides education for grades nine through twelve in three high school facilities and one administrative building. The District enrolled 3,749 students at the beginning of the 2010-2011 academic year.

DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE
Dr. Creg E. Williams	Superintendent
Charles DiMartino	Director of Finance

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

The District is governed by a seven-member Board of Education, elected at large for four year overlapping terms.

OFFICIAL	POSITION	TERM EXPIRES ⁽¹⁾
Richard Dust	President	April 2013
Charles Maricich	Vice President	April 2011
LeeAnn Revis	Secretary	April 2013
Robin L. Beymer	Member	April 2011
James Gigliotti	Member	April 2011
Don Swibes	Member	April 2013
Roger Yochem	Member	April 2013

⁽¹⁾ A new board will be seated at a special meeting of the board to be held on May 3, 2011, as a result of the consolidated election held on April 5, 2011.

ENROLLMENT

HISTORICAL		PROJECTED	
2006/2007	3,341	2011/2012	3,800
2007/2008	3,379	2012/2013	3,850
2008/2009	3,435	2013/2014	3,900
2009/2010	3,677	2014/2015	3,930
2010/2011	3,749*	2015/2016	3,960

Source: Enrollment figures are provided by the District.

* Consists of 1,622 enrolled at North High School, 1,983 enrolled at South High School, and 144 enrolled at the Center for Academics and Technology.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2010-2011 school year, the District had 345 full-time employees and 28 part-time employees. Of the total number of employees, approximately 227 are represented by a union. Employee-union relations are considered to be good.

POPULATION DATA

The District has a population of 60,749 according to the 2000 U.S. Census.

NAME OF ENTITY	1980	1990	2000	2009	% CHANGE 2000/2009
Village of Burnham	4,030	3,916	4,170	3,954	-5.18%
City of Calumet City	39,697	37,840	39,071	36,619	-6.28%
Village of Lansing	29,039	28,086	28,332	26,524	-6.38%
Village of Lynwood	4,195	6,535	7,377	8,650	17.26%
Cook County	5,253,655	5,105,067	5,376,741	5,287,037	-1.67%
State of Illinois	11,427,409	11,430,602	12,419,293	12,910,409	3.95%

Source: U.S. Census Bureau

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

SUMMARY OF OUTSTANDING DEBT⁽¹⁾

TYPE	DATED DATE	ORIGINAL AMOUNT OF ISSUE	CURRENT AMOUNT OUTSTANDING	FINAL MATURITY DATE
School Bonds, Series 2002	12/15/2002	\$ 9,995,000	\$ 6,935,000	12/01/2022
School Bonds, Series 2003	02/01/2003	9,000,000	6,170,000	12/01/2022
Limited Tax School Bonds, Series 2006	12/01/2006	4,000,000	1,690,000	12/01/2013
The Bonds	05/17/2011	<u>6,975,000</u>	<u>6,975,000</u>	12/01/2029
Total		\$29,970,000	\$21,770,000	

(1) Does not include Alternate Revenue Bonds, which do not constitute debt of the District unless the taxes levied to pay such Alternate Revenue Bonds are extended, or outstanding leases in the amount of \$324,954.

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2002 BONDS ⁽¹⁾ (DECEMBER 1)	SERIES 2003 BONDS ⁽²⁾ (DECEMBER 1)	SERIES 2006 BONDS ⁽³⁾ (DECEMBER 1)	PLUS: THE BONDS (DECEMBER 1)	TOTAL OUTSTANDING BONDS	CUMULATIVE PERCENT RETIRED
2011	\$ 450,000	\$ 400,000	\$ 640,000		\$ 1,490,000	6.84%
2012	470,000	420,000	665,000		1,555,000	13.99%
2013	490,000	445,000	385,000	\$ 25,000	1,345,000	20.17%
2014	510,000	460,000		330,000	1,300,000	26.14%
2015	535,000	480,000		340,000	1,355,000	32.36%
2016	560,000	495,000		350,000	1,405,000	38.81%
2017	585,000	520,000		365,000	1,470,000	45.57%
2018	610,000	540,000		380,000	1,530,000	52.60%
2019	635,000	565,000		395,000	1,595,000	59.92%
2020	665,000	590,000		415,000	1,670,000	67.59%
2021	695,000	615,000		435,000	1,745,000	75.61%
2022	730,000	640,000		450,000	1,820,000	83.97%
2023				475,000	475,000	86.15%
2024				495,000	495,000	88.42%
2025				520,000	520,000	90.81%
2026				545,000	545,000	93.32%
2027				570,000	570,000	95.93%
2028				600,000	600,000	98.69%
2029				285,000	285,000	100.00%
TOTAL	\$6,935,000	\$6,170,000	\$1,690,000	\$6,975,000	\$21,770,000	

(1) School Bonds, Series 2002, dated December 15, 2002.

(2) School Bonds, Series 2003, dated February 1, 2003.

(3) Limited Tax School Bonds, Series 2006, dated December 1, 2006.

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL AND INTEREST)

LEVY YEAR	DEBT SERVICE ON SERIES 2002 BONDS ⁽¹⁾	DEBT SERVICE ON SERIES 2003 BONDS ⁽²⁾	DEBT SERVICE ON SERIES 2006 BONDS ⁽³⁾	PLUS: DEBT SERVICE ON THE BONDS ⁽⁴⁾	TOTAL DEBT SERVICE ON OUTSTANDING BONDS
2010	\$ 761,720.00	\$ 667,700.00	\$ 711,825.00	\$ 170,426.98	\$ 2,311,671.98
2011	761,470.00	667,700.00	709,625.00	316,256.26	2,455,051.26
2012	760,320.00	671,700.00	401,362.50	341,256.26	2,174,638.76
2013	758,270.00	669,790.00		645,506.26	2,073,566.26
2014	760,320.00	671,850.00		645,606.26	2,077,776.26
2015	761,245.00	667,650.00		644,556.26	2,073,451.26
2016	761,045.00	672,355.00		647,306.26	2,080,706.26
2017	760,890.00	670,515.00		647,706.26	2,079,111.26
2018	759,050.00	672,295.00		646,556.26	2,077,901.26
2019	760,475.00	672,435.00		648,781.26	2,081,691.26
2020	760,550.00	671,475.00		649,068.76	2,081,093.76
2021	763,580.00	668,800.00		645,363.76	2,077,743.76
2022				647,863.76	647,863.76
2023				645,895.00	645,895.00
2024				647,382.50	647,382.50
2025				647,032.50	647,032.50
2026				644,782.50	644,782.50
2027				645,712.50	645,712.50
2028				299,962.50	299,962.50
TOTAL	\$9,128,935.00	\$8,044,265.00	\$1,822,812.50	\$10,827,022.10	\$29,823,034.60

- (1) School Bonds, Series 2002, dated December 15, 2002.
- (2) School Bonds, Series 2003, dated February 1, 2003.
- (3) Limited Tax School Bonds, Series 2006, dated December 1, 2006.
- (4) Includes capitalized interest on the Bonds in the amount of \$452,717.24.

ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2005 BONDS ⁽¹⁾ (DECEMBER 1)	SERIES 2009A BONDS ⁽²⁾ (DECEMBER 1)	SERIES 2009B BONDS ⁽³⁾ (DECEMBER 1)	TOTAL DEBT OUTSTANDING BONDS
2011	\$ 245,000	\$ 105,000 ⁽⁴⁾		\$ 350,000
2012	255,000	110,000		365,000
2013	270,000	110,000 ⁽⁴⁾		380,000
2014	280,000	115,000		395,000
2015	295,000	120,000 ⁽⁴⁾		415,000
2016	305,000	125,000		430,000
2017	320,000	130,000 ⁽⁴⁾		450,000
2018	330,000	135,000		465,000
2019	345,000	125,000 ⁽⁴⁾		470,000
2020	355,000	145,000	\$ 30,000 ⁽⁴⁾	530,000
2021	370,000		160,000 ⁽⁴⁾	1,145,000
2022	385,000		165,000 ⁽⁴⁾	1,190,000
2023	400,000		175,000	575,000
2024	420,000 ⁽⁴⁾		180,000 ⁽⁴⁾	600,000
2025	435,000		185,000 ⁽⁴⁾	620,000
2026			195,000	195,000
2027			205,000 ⁽⁴⁾	205,000
2028			210,000 ⁽⁴⁾	210,000
2029			220,000	220,000
TOTAL	\$5,010,000	\$1,220,000	\$1,725,000	\$7,955,000

(1) General Obligation Bonds (Alternate Revenue Source), Series 2005, dated July 1, 2005.

(2) General Obligation School Bonds (Alternate Revenue Source), Series 2009A, dated July 8, 2009.

(3) Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B, dated July 8, 2009.

(4) Mandatory sinking fund payment.

OVERLAPPING GENERAL OBLIGATION BONDED DEBT
(As of February 18, 2011)

TAXING BODY	OUTSTANDING DEBT ⁽¹⁾	PERCENT	AMOUNT
Cook County	\$3,151,845,000	0.59%	\$ 18,467,383
Cook County Forest Preserve District	101,935,000	0.59%	597,261
Metropolitan Water Reclamation District	2,109,350,090	0.60%	12,614,397
Village of Burnham	430,000	72.52%	311,844
City of Calumet City	61,040,000	58.76%	35,865,718
Village of Lansing	16,945,000	93.41%	15,828,645
Calumet Memorial Park District	2,820,000	56.90%	1,604,625
School District Number 155	25,660,717	100.00%	25,660,717
School District Number 156	4,890,000	100.00%	4,890,000
School District Number 157	8,765,000	70.12%	6,146,172
School District Number 158	3,713,333	100.00%	3,713,333
School District Number 171	3,795,000	96.34%	3,655,952
Community College District No. 510	16,944,288	22.89%	<u>3,878,125</u>
TOTAL OVERLAPPING DEBT			\$133,234,173

Source: Cook County Clerk's Office

(1) Does not include Alternate Revenue Bonds.

SELECTED FINANCIAL INFORMATION

2009 Estimated Full Value of Taxable Property:	\$3,141,247,917
2009 Equalized Assessed Valuation of Taxable Property:	\$1,047,082,639
General Obligation Bonded Debt (including this issue):	\$ 21,770,000 ⁽¹⁾
Other Direct General Obligation Debt:	\$ 324,954
Total Direct General Obligation Debt:	\$ 22,094,954
Percentage to Full Value of Taxable Property:	0.70%
Per Capita:	\$ 363.71
Overlapping General Obligation Bonded Debt:	\$ 133,234,173
General Obligation Bonded Debt and Overlapping General Obligation Bonded Debt:	\$ 155,004,173
Percentage to Full Value of Taxable Property:	4.93%
Per Capita:	\$ 2,551.55
Population Estimate:	60,749

(1) Does not include Alternate Revenue Bonds which do not constitute debt of the District unless the taxes levied to pay such Alternate Revenue Bonds are extended.

STATUTORY DEBT LIMIT

	AMOUNT	% OF DEBT LIMIT
2009 Equalized Assessed Valuation	\$1,047,082,639	
Statutory Debt Limit @ 6.9%	72,248,702	100.00%
Bonded Debt Outstanding ⁽¹⁾	14,795,000	
Other Direct Debt	324,954	
Plus: The Bonds	<u>6,975,000</u>	
Total Debt Applicable to the Limit	22,094,954	30.58%
Remaining Debt Margin	\$ 50,153,748	69.42%

(1) Does not include Alternate Revenue Bonds which do not constitute debt of the District unless the taxes levied to pay such Alternate Revenue Bonds are extended.

COMPOSITION OF EQUALIZED ASSESSED VALUATION

	2005	2006	2007	2008	2009	PERCENT 2008
By Property						
Real Estate					\$1,043,356,486 ⁽¹⁾	
Residential	\$556,235,716	\$586,814,917	\$624,750,722	\$677,296,998		68.05%
Farm	118,930	113,953	113,953	107,885		0.02%
Commercial	197,900,027	182,015,416	165,883,246	181,069,904		18.19%
Industrial	118,913,675	115,528,974	119,760,403	133,613,272		13.42%
Railroad	<u>2,114,414</u>	<u>2,413,669</u>	<u>2,845,672</u>	<u>3,221,345</u>	<u>3,726,153</u>	<u>0.32%</u>
Total EAV	\$875,282,762	\$886,886,929	\$913,353,996	\$995,309,404	\$1,047,082,639	100.00%

Source: Cook County Clerk's Office

(1) Breakdown by property type for Cook County for 2009 is not yet available.

TREND OF EQUALIZED ASSESSED VALUATION

LEVY YEAR	EQUALIZED ASSESSED VALUATION	% CHANGE IN EAV FROM PREVIOUS YEAR
2005	\$ 875,282,762	13.57% ⁽¹⁾
2006	886,886,929	1.33%
2007	913,353,996	2.98%
2008	995,309,404	8.97%
2009	1,047,082,639	5.20%

Source: Cook County Clerk's Office

⁽¹⁾ Based on the District's \$770,683,360 2004 EAV

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED*
2004/05	\$24,048,070	\$23,165,220	96.33%
2005/06	25,242,411	24,388,449	96.62%
2006/07	25,853,879	25,138,267	97.23%
2007/08	27,009,005	26,442,951	97.90%
2008/09	27,847,956	27,461,942	98.61%
2009/10	27,762,359	27,661,631	99.64%

Source: Cook County Treasurer's Office

* Represents gross taxes distributed to the District (prior to required refunds) from real estate taxes collected during each collection year. For the tax cycles represented herein, aggregate annual required refunds from gross taxes distributed to the District ranged from \$103,586 to \$926,435.

SCHOOL DISTRICT TAX RATES BY PURPOSE 2005-2009

(Per \$100 Equalized Assessed Valuation)

	2005	2006	2007	2008	2009
IMRF	\$0.0398	\$0.0409	\$0.0301	\$0.0258	\$0.0245
Social Security	0.0648	0.0666	0.0711	0.0773	0.0735
Liability Insurance	0.0568	0.0583	0.0438	0.0360	0.0342
Transportation	0.0483	0.0525	0.0629	0.0721	0.0783
Education	2.1033	2.1620	2.1727	2.0610	2.1024
Building	0.2615	0.2688	0.2736	0.2730	0.2597
Bond & Interest	0.2259	0.1692	0.2169	0.1988	0.1891
Working Cash	0.0341	0.0350	0.0356	0.0341	0.0324
Life Safety	0.0000	0.0000	0.0000	0.0000	0.0000
Special Education	0.0159	0.0173	0.0170	0.0170	0.0162
Limited Bonds	<u>0.0649</u>	<u>0.0842</u>	<u>0.0816</u>	<u>0.0751</u>	<u>0.0710</u>
Total	\$2.9153	\$2.9548	\$3.0053	\$2.8702	\$2.8813

Source: Cook County Clerk's Office

2005-2009 REPRESENTATIVE TOTAL TAX RATES*

TAXING AUTHORITY	2005	2006	2007	2008	2009
The District	\$ 2.916	\$ 2.955	\$ 3.005	\$ 2.871	\$ 2.882
The County	0.533	0.500	0.446	0.415	0.394
Cook County Forest Preserve District	0.060	0.057	0.053	0.051	0.049
Metropolitan Water Reclamation District	0.315	0.284	0.263	0.252	0.261
Suburban TB Sanitarium	0.005	0.005	0.000	0.000	0.000
Consolidated Elections	0.014	0.000	0.012	0.000	0.021
South Cook Co. Mosquito Abatement District	0.010	0.007	0.006	0.009	0.009
Thornton Township	0.360	0.374	0.372	0.358	0.367
Thornton Township General Assistance	0.088	0.092	0.092	0.089	0.091
Thornton Township Road & Bridge	0.015	0.016	0.016	0.016	0.017
Village of Lansing	1.055	1.051	1.023	0.972	1.124
Lan Oak Park District	0.275	0.280	0.310	0.292	0.292
Lansing Park Library Fund	0.344	0.354	0.353	0.335	0.345
School District Number 158	4.596	4.896	4.986	4.735	4.862
Community College District No. 510	<u>0.359</u>	<u>0.367</u>	<u>0.362</u>	<u>0.346</u>	<u>0.348</u>
TOTAL*	\$10.945	\$11.238	\$11.299	\$10.741	\$11.062

Source: Cook County Clerk's Office

*The total of such rates is the property tax rate paid by a typical resident living in the City of Calumet City, Cook County, in the District.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	PRODUCT OR SERVICE	2009 EQUALIZED ASSESSED VALUE	PERCENT OF DISTRICT'S TOTAL EAV
Simon Property Group	Real estate property	\$ 48,730,082	4.65%
Sears D768 Tax B2 109A	Retail store	16,933,455	1.62%
KFS Landings LLC	Real estate property	16,001,288	1.53%
Wal Mart Stores	Retail store	11,117,488	1.06%
Cobalt Industrial Reit II	Real estate property	9,827,889	0.94%
Great Lakes WHSE	Storage	8,842,553	0.84%
Inland Real Estate Corp.	Real estate property	6,429,905	0.61%
Temperature Equipment Corp.	Mechanical contractors	6,414,257	0.61%
K Mart Corp. Property Tax	Retail store	5,710,004	0.55%
JC Penney Co.	Retail store	5,542,925	0.53%
		\$135,549,846	12.95%

Source: Cook County Clerk's Office

The above taxpayers represent 12.95% of the District's \$1,047,082,639 2009 EAV. Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed hold multiple parcels and it is possible that some parcels and their valuations have been overlooked.

RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue from retailers within the Municipalities. The table indicates the level of retail activity in the Municipalities.

YEAR ⁽¹⁾	VILLAGE OF BURNHAM	CITY OF CALUMET CITY	VILLAGE OF LANSING	VILLAGE OF LYNWOOD
	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾	STATE SALES TAX DISTRIBUTION ⁽²⁾
2005	\$56,588	\$5,507,618	\$5,096,340	\$355,130
2006	56,161	5,756,160	5,195,551	369,414
2007	75,444	5,537,925	5,093,767	316,796
2008	76,796	5,023,383	4,834,907	262,973
2009	72,947	4,792,314	4,253,883	231,570
2010 ⁽³⁾	51,448	3,757,193	2,947,828	204,911

Source: Illinois Department of Revenue.

(1) Calendar year reports ending December 31.

(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Municipalities, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

(3) 3rd Quarter, 2010

CONSTRUCTION

The following chart indicates the estimated value of residential building permits issued in the Municipalities.

YEAR	VILLAGE OF BURNHAM	CITY OF CALUMET CITY	VILLAGE OF LANSING	VILLAGE OF LYNWOOD
	ESTIMATED VALUE	ESTIMATED VALUE	ESTIMATED VALUE	ESTIMATED VALUE
2005	\$886,000	\$1,740,000	\$5,847,043	\$21,507,160
2006	708,800	1,033,000	1,640,512	11,148,800
2007	886,000	986,000	1,241,214	7,921,324
2008	354,400	278,100	425,882	7,872,260
2009	443,000	1,384,000	210,000	1,213,530
2010	0	0	0	6,426,483

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

SPECIFIED OWNER-OCCUPIED UNITS

According to the 2000 census, the District had 30,187 owner-occupied units with a median value of \$91,300, the Village of Burnham had 879 owner-occupied units with a median value of \$90,400, the City of Calumet City had 7,676 owner-occupied units with a median value of \$90,300, the Village of Lansing had 7,509 owner-occupied units with a median value of \$118,700 and the Village of Lynwood had 1,580 owner-occupied units with a median value of \$140,800. This compares to 816,532 owner-occupied units with a median value of \$157,700 for the County and 2,470,338 owner-occupied units with a median value of \$130,800 for the State of Illinois (the "State").

VALUE	VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	55	6.26%	306	3.99%	51	0.68%
\$50,000 to \$99,999	583	66.33%	4,728	61.59%	2,322	30.92%
\$100,000 to \$149,999	232	26.39%	2,380	31.01%	3,720	49.54%
\$150,000 to \$199,999	6	0.68%	240	3.13%	1,073	14.29%
\$200,000 to \$299,999	3	0.34%	9	0.12%	281	3.74%
\$300,000 to \$499,999	-	0.00%	9	0.12%	46	0.61%
\$500,000 to \$999,999	-	0.00%	-	0.00%	9	0.12%
\$1,000,000 or more	-	0.00%	4	0.05%	7	0.09%
Total	879	100.00%	7,676	100.00%	7,509	100.00%

VALUE	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	27	1.71%	15,576	1.91%	230,049	9.31%
\$50,000 to \$99,999	218	13.80%	141,600	17.34%	651,605	26.38%
\$100,000 to \$149,999	711	45.00%	218,621	26.77%	583,409	23.62%
\$150,000 to \$199,999	486	30.76%	184,050	22.54%	429,311	17.38%
\$200,000 to \$299,999	133	8.42%	147,478	18.06%	344,651	13.95%
\$300,000 to \$499,999	5	0.32%	74,446	9.12%	163,254	6.61%
\$500,000 to \$999,999	-	0.00%	28,249	3.46%	55,673	2.25%
\$1,000,000 or more	-	0.00%	6,512	0.80%	12,386	0.50%
Total	1,580	100.00%	816,532	100.00%	2,470,338	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

LARGEST EMPLOYERS

Below is a listing of the largest employers within or near the District area:

EMPLOYER	PRODUCT OR SERVICE	APPROXIMATE NUMBER OF EMPLOYEES
Silver Line Building Products, Corp. ⁽³⁾	Vinyl windows & patio doors	700
The District	School district	373
NB Coatings, Inc. ⁽³⁾	Plastic automotive coatings	350
ORC Protel, LLC ⁽³⁾	Inbound and outbound telemarketing services	250
Land O'Frost, Inc. ⁽³⁾	Corporate HQ & meat packaging & processing	250
	Corporate HQ & distributor of air conditioning, refrigeration & heating equipment	200
Temperature Equipment Corp. ⁽³⁾		200
Kickert School Bus Line, Inc. ⁽⁴⁾	School bus services	200
Oshkosh Specialty Vehicles, LLC ⁽²⁾	Company HQ & medical vehicle equipment	150
Tri-State Nursing & Rehabilitation Center ⁽³⁾	Nursing home	113
Hosley International ⁽⁴⁾	Home décor accessories importers	100
Hasse Construction Co., Inc. ⁽²⁾	General commercial, industrial & underground utilities contractor	100
Drenth Trucking, Inc., K. R. ⁽⁴⁾	Short distance trucking services, including commercial waste & garbage hauling	100
CSX Transportation, Inc. ⁽²⁾	Railroad transportation	96
Roman Decorating Products ⁽²⁾	Wall covering & laminating adhesives, pastes & accessories	90
Kay Mfg. Co. ⁽²⁾	Automotive machining job shop	80
Gateway Construction Co, Inc., Gateway Erectors Div. ⁽¹⁾	Structural steel erection & reinforced steel installation	75

Source: 2011 Illinois Manufacturers Directory, 2011 Illinois Services Directory and Development of Commerce and Economic Opportunity, except for District employee information which was provided by the District, except for the information regarding District employees which was provided by the District.

- (1) Located in the Village of Burnham
- (2) Located in the City of Calumet City
- (3) Located in the Village of Lansing
- (4) Located in the Village of Lynwood

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the Municipalities, the County and the State.

	VILLAGE OF BURNHAM (%)	CITY OF CALUMET CITY (%)	VILLAGE OF LANSING (%)	VILLAGE OF LYNWOOD (%)	COUNTY OF COOK (%)	STATE OF ILLINOIS (%)
2005 – Average	12.2	8.3	6.4	6.9	6.4	5.8
2006 – Average	9.3	7.1	5.2	5.2	4.8	4.6
2007 – Average	10.3	7.6	5.7	5.8	5.2	5.1
2008 – Average	12.9	9.1	7.1	7.3	6.5	6.4
2009 – Average	20.0	13.6	11.7	11.8	10.3	10.1
2010 – Average	N/A	13.9	11.5	N/A	10.5	10.4

Source: State of Illinois Department of Employment Security

EMPLOYMENT BY INDUSTRY

The following table shows employment by industry for the Municipalities, the County and the State as reported by the 2000 Census.

CLASSIFICATION	VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	-	0.00%	32	0.19%	24	0.18%
Construction	76	4.59%	844	4.97%	1,236	9.01%
Manufacturing	198	11.96%	2,261	13.31%	1,859	13.56%
Wholesale Trade	82	4.95%	478	2.81%	407	2.97%
Retail Trade	140	8.45%	1,860	10.95%	1,712	12.49%
Transportation, warehousing and utilities	195	11.78%	1,762	10.38%	1,124	8.20%
Information	65	3.93%	709	4.18%	382	2.79%
Finance, insurance and real estate	151	9.12%	1,691	9.96%	906	6.61%
Professional, scientific management administrative & waste management	173	10.45%	1,605	9.45%	1,174	8.56%
Educational, health & social services	350	21.14%	3,045	17.93%	2,627	19.16%
Arts, entertainment, recreations accommodations & food services	89	5.37%	930	5.48%	886	6.46%
Other Services	55	3.32%	810	4.77%	708	5.16%
Public Administration	82	4.95%	954	5.62%	667	4.86%
Total	1,656	100.00%	16,981	100.00%	13,712	100.00%

CLASSIFICATION	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	14	0.39%	2,356	0.10%	66,481	1.14%
Construction	173	4.81%	119,355	4.93%	334,176	5.73%
Manufacturing	337	9.37%	342,422	14.14%	931,162	15.96%
Wholesale Trade	122	3.39%	92,706	3.83%	222,990	3.82%
Retail Trade	370	10.29%	244,344	10.09%	643,472	11.03%
Transportation, warehousing and utilities	386	10.73%	162,465	6.71%	352,193	6.04%
Information	103	2.86%	82,835	3.42%	172,629	2.96%
Finance, insurance and real estate	446	12.40%	219,831	9.08%	462,169	7.92%
Professional, scientific management administrative & waste management	254	7.06%	306,482	12.66%	590,913	10.13%
Educational, health & social services	822	22.85%	454,951	18.79%	1,131,987	19.41%
Arts, entertainment, recreations accommodations & food services	190	5.28%	179,592	7.42%	417,406	7.16%
Other Services	253	7.03%	120,337	4.97%	275,901	4.73%
Public Administration	127	3.53%	93,611	3.87%	231,706	3.97%
Total	3,597	100.00%	2,421,287	100.00%	5,833,185	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

EMPLOYMENT BY OCCUPATION

The following table shows employment by occupation for the Municipalities, the County and the State.

CLASSIFICATION	VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	397	23.97%	4,179	24.61%	4,093	29.85%
Service occupations	276	16.67%	2,383	14.03%	1,820	13.27%
Sales & office occupations	498	30.07%	5,552	32.70%	4,007	29.22%
Farming, forestry & fishing occupations	4	0.24%	13	0.08%	8	0.06%
Construction, extraction & maintenance occupation	173	10.45%	1,512	8.90%	1,727	12.59%
Production, transportation & material moving occupations	<u>308</u>	<u>18.60%</u>	<u>3,342</u>	<u>19.68%</u>	<u>2,057</u>	<u>15.00%</u>
Total	1,656	100.00%	16,981	100.00%	13,712	100.00%

CLASSIFICATION	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	1,116	31.03%	852,442	35.21%	1,993,671	34.18%
Service occupations	487	13.54%	339,554	14.02%	813,479	13.95%
Sales & office occupations	1,109	30.83%	690,023	28.50%	1,609,939	27.60%
Farming, forestry & fishing occupations	-	0.00%	1,942	0.08%	17,862	0.31%
Construction, extraction & maintenance occupation	365	10.15%	171,534	7.08%	480,418	8.24%
Production, transportation & material moving occupations	<u>520</u>	<u>14.46%</u>	<u>365,792</u>	<u>15.11%</u>	<u>917,816</u>	<u>15.73%</u>
Total	3,597	100.00%	2,421,287	100.00%	5,833,185	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

MEDIAN HOUSEHOLD INCOME

According to the 2000 Census, the District had a median household income of \$40,620, the Village of Burnham had a median household income of \$39,053, the City of Calumet City had a median household income of \$38,902, the Village of Lansing had a median household income of \$47,554 and the Village of Lynwood had a median household income of \$56,554. This compares to \$45,922 for the County and \$46,590 for the State. The following table represents the distribution of household incomes for the Municipalities, the County and the State at the time of the 2000 U.S. Census.

	VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	89	6.25%	1,475	9.74%	562	4.96%
\$10,000 to \$14,999	126	8.85%	901	5.95%	624	5.51%
\$15,000 to \$24,999	175	12.29%	2,062	13.62%	1,307	11.53%
\$25,000 to \$34,999	223	15.66%	2,290	15.12%	1,465	12.93%
\$35,000 to \$49,999	283	19.87%	2,895	19.12%	1,958	17.28%
\$50,000 to \$74,999	308	21.63%	3,075	20.31%	2,839	25.05%
\$75,000 to \$99,999	118	8.29%	1,564	10.33%	1,514	13.36%
\$100,000 to \$149,999	90	6.32%	697	4.60%	774	6.83%
\$150,000 to \$199,999	1	0.07%	110	0.73%	167	1.47%
\$200,000 or more	<u>11</u>	<u>0.77%</u>	<u>72</u>	<u>0.48%</u>	<u>123</u>	<u>1.09%</u>
Total	1,424	100.00%	15,141	100.00%	11,333	100.00%

	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	168	6.35%	192,689	10.90%	383,299	8.35%
\$10,000 to \$14,999	82	3.10%	107,043	6.05%	252,485	5.50%
\$15,000 to \$24,999	176	6.65%	25,908	1.47%	517,812	11.27%
\$25,000 to \$34,999	300	11.33%	230,787	13.05%	545,962	11.89%
\$35,000 to \$49,999	429	16.21%	316,575	17.91%	745,180	16.23%
\$50,000 to \$74,999	675	25.50%	390,779	22.10%	952,940	20.75%
\$75,000 to \$99,999	403	15.22%	222,453	12.58%	531,760	11.58%
\$100,000 to \$149,999	341	12.88%	181,938	10.29%	415,348	9.04%
\$150,000 to \$199,999	51	1.93%	53,986	3.05%	119,056	2.59%
\$200,000 or more	<u>22</u>	<u>0.83%</u>	<u>45,922</u>	<u>2.60%</u>	<u>128,898</u>	<u>2.81%</u>
Total	2,647	100.00%	1,768,080	100.00%	4,592,740	100.00%

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

PER CAPITA INCOME

THE DISTRICT	VILLAGE OF BURNHAM	CITY OF CALUMET CITY	VILLAGE OF LANSING	VILLAGE OF LYNWOOD	COUNTY OF COOK	STATE OF ILLINOIS
\$17,359	\$16,747	\$18,123	\$22,547	\$22,650	\$23,227	\$23,104

Source: U.S. Census Bureau, Social and Economic Characteristics (2000)

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2010, contained in Appendix C (the "Audit"), including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek & Co., Inc., Calumet City, Illinois (the "Auditor"), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance, of the District.

A summary of the District's recent financial history is provided in Exhibit A and Exhibit B to this Official Statement. The tables in these Exhibits contain information from the annual audits of the District but do not purport to be the complete audits, copies of which are available upon request from the District. See Appendix C for the District's 2010 fiscal year audit.

WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the hereinafter defined Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed \$.05 per hundred dollars of equalized assessed valuation (the "Working Cash Fund Tax"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid,

whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department of Revenue of the State of Illinois, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished. See Exhibit A for the District's Working Cash Fund balances for the years ending June 30, 2006-2010.

SCHOOL DISTRICT FINANCIAL PROFILE

Since the Spring of 2003, the Illinois State Board of Education ("*ISBE*") has utilized a new system for assessing a school district's financial health. The new financial assessment system is referred to as the "*School District Financial Profile*" which replaces the Financial Watch List and Financial Assurance and Accountability System (FAAS). The new system identifies those school districts which are moving into financial distress.

The new system uses five indicators which are individually scored and weighted in order to arrive at a composite district financial profile. The indicators are as follows: fund balance to revenue ratio; expenditures to revenue ratio; days cash on hand; percent of short-term borrowing ability remaining; and percent of long-term debt margin remaining.

Each indicator is calculated and the result is placed into a category of a four, three, two or one, with four being the highest and best category possible. Each indicator is weighted as follows:

Fund balance to revenue ratio	35%
Expenditures to revenue ratio	35%
Days cash on hand	10%
Percent of short-term borrowing ability remaining	10%
Percent of long-term debt margin remaining	10%

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition.* A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.
- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.
- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

The District's overall score for 2010 was 3.80 thus placing the District in the Financial Recognition category. The District's overall scores in years 2009 and 2008 were 3.00 and 3.80, respectively.

GENERAL AND SUPPLEMENTARY STATE AID

General State financial aid ("*General State Aid*") for Illinois school districts is computed beginning with the fiscal year commencing July 1. General State Aid makes up the difference between the available local resources per pupil (the "*Available Local Resources*") and a

foundation level (the "*Foundation Level*"). The Foundation Level is a figure established annually by the State's budget representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil determined in accordance with the average daily attendance, as such term is defined in the Illinois School Code. The following are the Foundation Levels for the most recent five school years:

SCHOOL YEAR	FOUNDATION AMOUNT
2006/2007	\$5,334
2007/2008	5,734
2008/2009	5,959
2009/2010	6,119
2010/2011	6,119

A district's Available Local Resources are determined by multiplying equalized assessed valuation by the calculation tax rate, which is established by statute. Currently, the calculation tax rate is 3.00% for unit districts, 2.30% for elementary districts and 1.05% for high school districts. The product is added to revenue from the corporate personal property replacement tax, and the total is divided by the best three months average daily pupil attendance to arrive at the district's Available Local Resources. For districts subject to the hereinafter defined Limitation Law, Available Local Resources may be limited by such districts' extension limitation ratio, calculated in accordance with the Illinois School Code.

General State Aid makes up the difference between the Foundation Level and the Available Local Resources multiplied by the Average Daily Attendance (as defined in 105 ILCS 5/18-8.05(C)) ("*ADA*"). ADA is calculated using data from the year immediately preceding the school year for which General State Aid is being calculated. For any district with Available Local Resources of less than 93 percent of the Foundation Level, the entire deficiency in Available Local Resources as compared to the Foundation Level is awarded in General State Aid. Where Available Local Resources represent 93 to 175 percent of the foundation amount, State Aid is reduced on a sliding scale. Where a district has Available Local Resources representing 175 percent or more of the Foundation Level, the district receives a flat \$218 per ADA.

Other factors important in determining a school district's aid include, but are not limited to, the following:

1. any applicable reductions in a district's EAV;
2. the number of special need students in a district;
3. whether or not the district participates in a tax abatement or tax increment allocation program under the Real Property Tax Increment Allocation Redevelopment Act;

4. the amount of money the district receives as a replacement for taxes previously received from the corporate personal property tax;
5. the number of days the schools of the district are operating with students in attendance;
6. whether or not kindergarten students attend for full day or one-half day sessions;
7. whether the schools in the district are recognized by the State Board of Education as meeting state-required standards for recognition; and
8. changes in enrollment.

In addition to General State Aid, districts with specified levels or concentrations of pupils from low-income households are eligible to receive supplemental general State aid financial grants ("*Supplemental General State Aid*"). Supplemental General State Aid is distributed to districts pursuant to a statutory formula based upon the number of low-income pupils in the district. The low-income pupil count is determined by the Department of Human Services based on the number of pupils eligible for at least one of a variety of low-income programs as of July 1 of the immediately preceding fiscal year. The amount of Supplemental General State Aid received by a district increases as the ratio of low-income pupils to the ADA increases.

Finally, districts may be eligible for supplementary State aid, known as "*Hold Harmless Grants*," if the total aid received as General State Aid or Supplemental General State Aid in any school year is less than the General State Aid entitlement such district received for the 1997-98 school year. However, in fiscal year 2010, the appropriation for Hold Harmless Grants was insufficient to cover all entitlements, necessitating proration among the entitled districts. For fiscal year 2011, the appropriation for Hold Harmless Grants has been set at \$0.

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the General State Aid formula cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

See Exhibit B for a summary of the District's general fund revenue sources.

SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in 2011.

DEFAULT RECORD

The District has no record of default and has met its debt repayment obligations promptly.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Cook County, Illinois. There can be no assurance that the procedures described herein will not change.

REAL PROPERTY ASSESSMENT

The County Assessor (the "*Assessor*") is responsible for the assessment of all taxable real property within Cook County (the "*County*"), including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the "*Department of Revenue*"). For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the "*South Tri*"), north and northwest suburbs (the "*North Tri*"), and the City of Chicago (the "*City Tri*"). The District is located in the South Tri and was reassessed for the 2008 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage for tax year 2009, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "*Assessed Valuation*") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of

PTAB to either the Circuit Court of Cook County (the "*Circuit Court*") or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

EQUALIZATION

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (the "*Equalization Factor*"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State of Illinois (the "*State*"). Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

<u>TAX LEVY YEAR</u>	<u>EQUALIZATION FACTOR</u>
2000	2.2235
2001	2.3098
2002	2.4689
2003	2.4598
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "*EAV*") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department of

Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "*Assessment Base*").

EXEMPTIONS

The Illinois Property Tax Code, as amended (the "*Property Tax Code*"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for assessment year 2009 and thereafter.

The Alternative General Homestead Exemption limits EAV increases for homeowners (who also reside on the property as their principal place of residence) to 7% a year, up to a certain maximum dollar amount each year as defined by statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property's taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment year 2009, \$16,000 for assessment year 2010 and \$12,000 for assessment year 2011. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment years 2009 and 2010, \$16,000 for assessment year 2011 and \$12,000 for assessment year 2012. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed \$26,000 for assessment year 2009, \$20,000 for assessment year 2010 and 2011 and \$12,000 for assessment year 2012.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of \$100,000 or less ("*Qualified Homestead Property*"). If the taxpayer's annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to \$75,000 per year, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The

maximum exemption is \$4,000. Beginning in tax year 2010, County taxpayers seeking to claim this exemption must reapply for the exemption on an annual basis.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of \$55,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (i) the current EAV of the residence and (ii) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans' Exemption exempts up to \$70,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption of (i) \$5,000 to those veterans with a service-connected disability of 70% (75% for exemptions granted from 2007 to 2009) and (ii) \$2,500 to those veterans with a service-connected disability of less than 70% (75% for exemptions granted from 2007 to 2009), but at least 50%.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, or the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time homestead exemption of \$5,000.

Finally, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

TAX LEVY

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law (the "Limitation Law"). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

PROPERTY TAX EXTENSION LIMITATION LAW

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in taxing Districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The District has the authority to levy taxes for many different purposes. See "Financial Information and Economic Characteristics of the District - School District Tax Rates by Purpose 2005-2009." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing Districts (such as the District) have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited bonds (such as the Bonds) in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "THE BONDS—Security" herein.

EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation

and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

COLLECTIONS

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. However, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

<u>TAX LEVY YEAR</u>	<u>SECOND INSTALLMENT PENALTY DATE</u>
1999	October 2, 2000
2000	November 2, 2001
2001	November 1, 2002
2002	October 1, 2003
2003	November 15, 2004
2004	November 1, 2005
2005	September 1, 2006
2006	December 3, 2007
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing District to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

BOND RATING

Standard & Poor's Ratings Service ("S&P") has assigned its municipal bond rating of "AA-" (stable outlook) to the Bonds. This rating reflects only the views of such organization and any explanation of the significance of such rating may only be obtained from the rating agency. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P by the District. There is no assurance that the ratings will be maintained for any given period of time or that it may not be changed by S&P if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "*Code*"), includes provisions for an alternative minimum tax ("*AMT*") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("*AMTI*"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "*Issue Price*") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "*OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "*Service*") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

RETIREMENT PLANS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in the Teachers' Retirement System of the State of Illinois ("*TRS*"). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers outside the City of Chicago.

The Illinois Pension Code sets the benefit provisions of TRS, which can only be amended by the Illinois General Assembly. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The report may be viewed at TRS's website as follows: <http://trs.illinois.gov/subsections/pubs/publications.htm>.

See Note 10 to the District's Audited Financial Statement for the fiscal year ended June 30, 2010, attached hereto as Appendix A, for a more complete discussion.

ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in another defined benefit pension plan, the Illinois Municipal Retirement Fund ("*IMRF*"). IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code sets the benefit provisions of IMRF, which can only be amended by the Illinois General Assembly.

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be viewed at IMRF's website as follows: http://www.imrf.org/pubs/annual_reports/annual_rpts.htm.

See Note 10 to the District's Audited Financial Statement for the fiscal year ended June 30, 2010, attached hereto as Appendix A, for a more complete discussion.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "*MSRB*") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Exchange Act. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth below in "APPENDIX B—Continuing Disclosure Undertaking."

The District did not file annual financial information or audited financial statements within the times prescribed by previous continuing disclosure undertakings for its fiscal years ending June 30, 2009, and June 30, 2010. The District will be in compliance with the requirements of those previous continuing disclosure undertakings prior to the pricing of the Bonds and has taken steps to assure future compliance.

A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "APPENDIX B—Continuing Disclosure Undertaking." The District must report any failure to comply with the Undertaking must be reported in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Bond Counsel who has been retained by, and acts as, Bond Counsel to the District. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the District, reviewed only those sections of the Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of interest on the Bonds and the "bank-qualified" status of the Bonds. This review was undertaken solely at the request of the District and did not include any

obligation to establish or confirm factual matters set forth herein. Chapman and Cutler LLP, Chicago, Illinois will also serve as Disclosure Counsel to the District.

NO LITIGATION

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the "*Agreement*") between the District and BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Underwriter*"), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$7,005,508.60 (consisting of the original principal amount of the Bonds of \$6,975,000.00, plus original issue premium of \$100,258.60 and less an Underwriter's discount of \$69,750.00). The Underwriter intends to reoffer the Bonds at an average price of 101.437% of the principal amount of the Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

BMO Capital Markets is the trade name for certain capital markets and investment banking services of Bank of Montreal and its subsidiaries, including BMO Capital Markets GKST Inc. which is a direct, wholly-owned subsidiary of Harris Financial Corp., which is itself a wholly-owned subsidiary of Bank of Montreal.

AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of the adoption of the Bond Resolution, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/ Richard Dust

President, Board of Education
Township High School District Number 215,
Cook County, Illinois

April 28, 2011

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the general fund revenue sources of the District.

EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, 2006-2010

	EDUCATIONAL FUND	OPERATION & MAINTENANCE	WORKING CASH	OTHER GOVERNMENTAL FUNDS ⁽¹⁾	MEMORANDUM TOTAL
Beginning Balance, July 1, 2005	\$ 5,160,654	\$ 593,863	\$ 446,772	\$ 1,952,114	\$ 8,153,403
Revenues	33,583,829	4,237,798	335,804	13,902,994	52,060,425
Expenditures	30,830,929	3,405,660	0	18,451,956	52,688,545
Transfers	0	0	0	0	0
Other	0	0	0	6,011,371	6,011,371
Net Changes in Fund Balance	<u>2,752,900</u>	<u>832,138</u>	<u>335,804</u>	<u>1,462,409</u>	<u>5,383,251</u>
Ending Balance June 30, 2006	\$ 7,913,554	\$ 1,426,001	\$ 782,576	\$ 3,414,523	\$13,536,654
Beginning Balance, July 1, 2006	\$ 7,913,554	\$ 1,426,001	\$ 782,576	\$ 3,414,523	\$13,536,654
Revenues	30,439,277	3,816,037	338,452	4,335,344	38,929,110
Expenditures	33,211,730	4,186,208	0	5,404,498	42,802,436
Transfers	0	4,000,000	(4,000,000)	0	0
Other	0	0	4,004,443	0	4,004,443
Net Changes in Fund Balance	<u>(2,772,453)</u>	<u>3,629,829</u>	<u>342,895</u>	<u>(1,069,154)</u>	<u>131,117</u>
Ending Balance June 30, 2007	\$ 5,141,101	\$ 5,055,830	\$1,125,471	\$ 2,345,369	\$13,667,771
Beginning Balance, July 1, 2007	\$ 5,141,101	\$ 5,055,830	\$1,125,471	\$ 2,345,369	\$13,667,771
Revenues	36,264,077	4,374,546	382,358	4,933,329	45,954,310
Expenditures	34,267,537	4,948,639	0	5,314,745	44,530,921
Transfers	0	(333,008)	0	333,008	0
Other	0	0	0	0	0
Net Changes in Fund Balance	<u>1,996,540</u>	<u>(907,101)</u>	<u>382,358</u>	<u>(48,408)</u>	<u>1,423,389</u>
Ending Balance June 30, 2008	\$ 7,137,641	\$ 4,148,729	\$1,507,829	\$ 2,296,961	\$15,091,160
Beginning Balance, July 1, 2008	\$ 7,137,641	\$ 4,148,729	\$1,507,829	\$ 2,296,961	\$15,091,160
Revenues	37,926,722	4,297,716	356,603	6,266,175	48,847,216
Expenditures	38,105,834	7,046,348	0	6,496,882	51,649,064
Transfers	0	0	0	0	0
Other	0	0	0	0	0
Net Changes in Fund Balance	<u>(179,112)</u>	<u>(2,748,632)</u>	<u>356,603</u>	<u>(230,707)</u>	<u>(2,801,848)</u>
Reallocate Tort Immunity	(109,955)	0	0	109,955	0
Ending Balance June 30, 2009	\$ 6,848,574	\$ 1,400,097	\$1,864,432	\$ 2,066,254	\$12,289,312
Beginning Balance, July 1, 2009	\$ 6,848,574	\$ 1,400,097	\$1,864,432	\$ 2,066,254	\$12,289,312
Revenues	42,934,710	4,213,904	347,263	7,097,751	54,593,628
Expenditures	40,158,692	3,901,344	0	9,535,705	53,595,741
Transfers	0	(111,579)	0	111,579	0
Other	0	0	0	3,000,444	3,000,444
Net Changes in Fund Balance	<u>2,776,018</u>	<u>200,981</u>	<u>347,263</u>	<u>674,069</u>	<u>3,998,331</u>
Other Changes in Fund Balance	(71,104)	71,104	0	0	0
Ending Balance June 30, 2010	\$ 9,553,488	\$ 1,672,182	\$2,211,695	\$ 2,740,323	\$16,287,643

Source: The audited financial statements of the District for the years ending June 30, 2006 - June 30, 2010. Such financial statements are prepared on the modified accrual basis of accounting.

(1) Includes the Transportation, IMRF, Bond & Interest, Fire Prevention & Safety and Tort Immunity Funds.

**EXHIBIT B — GENERAL FUND REVENUE SOURCES,
FISCAL YEARS ENDING JUNE 30, 2006-2010**

	YEAR ENDED JUNE 30, 2006	YEAR ENDED JUNE 30, 2007	YEAR ENDED JUNE 30, 2008	YEAR ENDED JUNE 30, 2009	YEAR ENDED JUNE 30, 2010
Local Sources	69.50%	59.69%	59.07%	57.03%	53.69%
State Sources	26.94%	35.78%	36.56%	31.65%	33.87%
Federal Sources	<u>3.57%</u>	<u>4.53%</u>	<u>4.37%</u>	<u>11.32%</u>	<u>12.44%</u>
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The audited financial statements of the District for the years ending June 30, 2006-June 30, 2010. Such financial statements are prepared on the modified accrual basis of accounting.

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "Proceedings") of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "District"), passed preliminary to the issue by the District of its fully registered General Obligation Limited School Bonds, Series 2011 (the "Bonds"), to the amount of \$6,975,000, dated May 17, 2011, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2013	\$ 25,000	3.000%
2014	330,000	3.000%
2015	340,000	3.250%
2016	350,000	3.500%
2017	365,000	4.000%
2018	380,000	4.250%
2019	395,000	4.500%
2020	415,000	4.750%
2021	435,000	4.300%
2022	450,000	5.000%
2023	475,000	4.625%
2024	495,000	4.750%
2025	520,000	4.875%
2026	545,000	5.000%
2027	570,000	5.100%
2028	600,000	5.125%
2029	285,000	5.250%

the Bonds due on or after December 1, 2021, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2020, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the

same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX B

CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this "*Agreement*") is executed and delivered by Township High School District Number 215, Cook County, Illinois (the "*District*"), in connection with the issuance of \$6,975,000 General Obligation Limited School Bonds, Series 2011 (the "*Bonds*"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 26th day of April, 2011, as supplemented by a notification of sale (together, the "*Resolution*").

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"*Annual Financial Information*" means information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

THE BONDS—Debt Service Extension Base Availability after Issuance of the Bonds
FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS

- Summary of Outstanding Debt
- Direct General Obligation Bonded Debt (Principal Only)
- Direct General Obligation Bonded Debt (Principal and Interest)
- Alternate Revenue Bonds (Principal Only)
- Selected Financial Information (only as it relates to direct debt)
- Statutory Debt Limit
- Composition of District Equalized Assessed Valuation
- Trend of District Equalized Assessed Valuation
- Taxes Extended and Collected
- School District Tax Rates by Purpose

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit B—General Fund Revenue Sources

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the standards and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated April 28, 2011, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The District will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial

Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and all other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 215, COOK COUNTY, ILLINOIS

By _____
President, Board of Education

Date: May 17, 2011

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information if not previously, filed as described below. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with the modified accrual basis of accounting. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III
CUSIP NUMBERS**

YEAR OF MATURITY	CUSIP NUMBER (215651)
2013	HG8
2014	HH6
2015	HJ2
2016	HK9
2017	HL7
2018	HM5
2019	HN3
2020	HP8
2021	HQ6
2022	HR4
2023	HS2
2024	HT0
2025	HU7
2026	HV5
2027	HW3
2028	HX1
2029	HY9

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The audited financial statements of the District for the fiscal year ended June 30, 2010, contained in Appendix A (the "*Audit*"), including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek & Co., Inc., Calumet City, Illinois (the "*Auditor*"), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance of the District.

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THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL

DISTRICT NO. 215, COOK COUNTY, ILLINOIS

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

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John Kasperek Co., Inc.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Education
Thornton Fractional Township High School District No. 215
Calumet City, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Thornton Fractional Township High School District No. 215's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2010, on our consideration of Thornton Fractional Township High School District No. 215's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Summary of Funding Progress relative to the Illinois Municipal Retirement Fund and Post Retirement Medical Plan are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit or express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Thornton Fractional Township High School District No. 215's basic financial statements. The accompanying budgetary comparison schedules listed as Required Supplementary Information in the table of contents are supplementary information required by the Governmental Accounting Standards Board and the accompanying schedules listed as Other Supplementary Information in the table of contents are presented for purposes of additional analysis. Such information is not a required part of the basic financial statements of Thornton Fractional Township High School District No. 215; however, it has been subjected to the auditing procedures applied in the audit of the basic financial statements referred to above and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Governmental Accounting Standards Board has determined that a management's discussion and analysis is necessary to supplement, although not required to be part of, the basic financial statements. Thornton Fractional Township High School District No. 215 has not presented this supplementary information.

John Kaspruk Co, Inc

December 15, 2010

John Kasperek Co., Inc.

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Education
Thornton Fractional Township High School District No. 215
Calumet City, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2010, which collectively comprise Thornton Fractional Township High School District No. 215's basic financial statements and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Thornton Fractional Township High School District No. 215's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Thornton Fractional Township High School District No. 215's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Thornton Fractional Township High School District No. 215's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thornton Fractional Township High School District No. 215's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective for our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2010-2.

We noted certain matters that we reported to management of Thornton Fractional Township High School District No. 215 in a separate letter dated December 1, 2010.

Thornton Fractional Township High School District No. 215's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Thornton Fractional Township High School District No. 215's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Education, others within the entity, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

John Kasquet Co, Inc

December 15, 2010

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
<u>ASSETS</u>	
Cash/investments - pooled accounts	\$ 14,330,891
Cash at district	51,584
Property taxes receivable, net	15,097,422
Due from other governments	3,854,591
Other receivables	93,299
Accrued interest receivable	32,840
Other current assets	1,140
Capital assets	
Land	560,301
Construction-in-progress	2,745,791
Depreciable capital assets, net	48,452,742
Total capital assets, net of depreciation	51,758,834
TOTAL ASSETS	85,220,601
<u>LIABILITIES</u>	
Accounts payable	\$ 911,730
Accrued payroll and related items	164,309
Deferred revenue	14,890,740
Other current liabilities	10,000
Accrued interest payable	96,851
Long-term liabilities	
Portion due or payable within one year	
Bonds and other long-term debt	1,776,595
Accrued compensated absences	36,233
Portions due or payable after one year	
Bonds and other long-term debt	22,940,349
Accrued compensated absences	166,097
TOTAL LIABILITIES	40,992,904
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	27,041,890
Restricted for	
Special Education	-
Tort immunity	33,653
Debt service	1,068,822
Capital projects	266,351
Unrestricted	15,816,981
TOTAL NET ASSETS	\$ 44,227,697

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction				
Regular instruction	\$ 14,743,394	\$ 1,037,512	\$ 3,461,278	\$ (10,244,604)
Special education instruction	2,553,184	-	3,065,778	512,594
Other instruction	4,109,032	63,831	247,593	(3,797,608)
State retirement contribution	4,297,957	-	4,297,957	-
	<u>25,703,567</u>	<u>1,101,343</u>	<u>11,072,606</u>	<u>(13,529,618)</u>
Support services				
Pupil services	3,050,674	-	258,698	(2,791,976)
Instructional staff services	1,185,152	-	-	(1,185,152)
General administration services	1,520,651	-	-	(1,520,651)
School administration services	1,519,947	-	-	(1,519,947)
Business services	430,223	-	-	(430,223)
Facilities acquisition and construction services	1,728,735	-	-	(1,728,735)
Operation & maintenance of plant services	4,369,469	116,830	-	(4,252,639)
Pupil transportation services	2,574,708	255,712	1,538,037	(780,959)
Food services	1,308,193	242,283	855,354	(210,556)
Central & other support services	837,870	-	-	(837,870)
State retirement contribution	707,287	-	707,287	-
	<u>19,232,909</u>	<u>614,825</u>	<u>3,359,376</u>	<u>(15,258,708)</u>
Community services	18,891	-	-	(18,891)
Nonprogrammed charges	3,826,499	-	-	(3,826,499)
Interest and fees	1,128,607	-	-	(1,128,607)
Tort immunity	380,213	-	-	(380,213)
Depreciation - unallocated *	385,609	-	-	(385,609)
Total Governmental activities	<u>\$ 50,676,295</u>	<u>\$ 1,716,168</u>	<u>\$ 14,431,982</u>	<u>(34,528,145)</u>

General revenues

Taxes:	
Property taxes, levied for current operating purposes	25,350,678
Property taxes, levied for debt service	2,590,260
Corporate personal property replacement taxes	833,256
General state aid	9,930,855
Investment earnings	175,434
Change in net assets	4,352,338
Net assets - beginning	39,875,359
Net assets - ending	<u>\$ 44,227,697</u>

* This amount excludes the depreciation that is included in the direct expenses of the various functions. See Note 3.

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	Educational	Operations and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash/investments - pooled accounts	\$ 8,300,360	\$ 1,686,501	\$ 4,344,030	\$ 14,330,891
Cash at district	51,584	-	-	51,584
Investments	-	-	-	-
Property taxes receivable, net	11,101,927	1,360,697	2,634,798	15,097,422
Due from other governments	2,365,833	124,739	1,364,019	3,854,591
Other receivables	73,342	1,318	18,639	93,299
Accrued interest on investments	19,018	3,865	9,957	32,840
Other current assets	1,140	-	-	1,140
TOTAL ASSETS	\$ 21,913,204	\$ 3,177,120	\$ 8,371,443	\$ 33,461,767
<u>LIABILITIES</u>				
Accounts payable	\$ 661,560	\$ 87,444	\$ 162,726	\$ 911,730
Accrued payroll and related liabilities	88,568	75,741	-	164,309
Deferred revenue	11,609,588	1,341,753	3,136,744	16,088,085
Due to other governments	-	-	-	-
Other current liabilities	-	-	10,000	10,000
TOTAL LIABILITIES	12,359,716	1,504,938	3,309,470	17,174,124
<u>FUND BALANCES</u>				
Unreserved	9,553,488	-	-	9,553,488
Unreserved, reported in nonmajor:				
Special revenue funds	-	1,672,182	3,629,949	5,302,131
Debt service funds	-	-	1,165,673	1,165,673
Capital project fund	-	-	266,351	266,351
TOTAL FUND BALANCES	9,553,488	1,672,182	5,061,973	16,287,643
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,913,204	\$ 3,177,120	\$ 8,371,443	\$ 33,461,767

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances for governmental funds (page 7)		\$ 16,287,643
<p>Amounts reported for governmental activities in the statement of net assets (page 5) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		51,758,834
<p>Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenue in the funds:</p>		
<p style="padding-left: 20px;">Restricted state aid (special education and transportation claims)</p>		1,197,345
<p>Accrued interest payable on long-term liabilities is not currently due and therefore is not reported in the funds.</p>		(96,851)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
<p>Long-term liabilities at year-end consist of:</p>		
Bonds payable	(24,465,000)	
Capital lease obligations	(251,944)	
Accrued compensated absences	(202,330)	(24,919,274)
NET ASSETS (page 5)		<u>\$ 44,227,697</u>

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Educational	Operations and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 20,385,927	\$ 2,590,288	\$ 4,964,723	\$ 27,940,938
Personal property replacement taxes	-	763,256	70,000	833,256
Charges for services	1,343,626	116,830	255,712	1,716,168
Investment earnings	90,278	23,530	61,182	174,990
Unrestricted state aid	8,485,855	720,000	725,000	9,930,855
Restricted state aid	1,758,596	-	1,334,031	3,092,627
State retirement contributions	5,005,244	-	-	5,005,244
Restricted federal aid	5,865,184	-	34,366	5,899,550
TOTAL REVENUES	42,934,710	4,213,904	7,445,014	54,593,628
EXPENDITURES				
Current operating				
Instruction				
Regular instruction	14,584,509	-	192,946	14,777,455
Special education instruction	2,485,431	-	67,753	2,553,184
Other instruction	3,975,604	-	81,098	4,056,702
State retirement contributions	4,297,957	-	-	4,297,957
Support services				
Pupil services	2,922,525	-	128,149	3,050,674
Instructional staff services	1,174,360	-	11,831	1,186,191
General administration services	1,467,356	-	43,471	1,510,827
School administration services	1,425,089	-	91,394	1,516,483
Business services	380,697	-	48,662	429,359
Operations & maintenance				
of plant services	257,793	3,821,738	292,041	4,371,572
Pupil transportation services	-	-	2,375,094	2,375,094
Food services	1,208,549	-	75,582	1,284,131
Central and other support services	807,482	-	35,715	843,197
State retirement contributions	707,287	-	-	707,287
Community services	18,891	-	-	18,891
Nonprogrammed charges	3,826,499	-	-	3,826,499
Tort immunity	-	-	380,213	380,213
Debt service	-	-	2,710,253	2,710,253
Capital outlay	618,663	79,606	3,001,503	3,699,772
TOTAL EXPENDITURES	40,158,692	3,901,344	9,535,705	53,595,741
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,776,018	312,560	(2,090,691)	997,887
OTHER FINANCING SOURCES (USES)				
Permanent transfers	-	(111,579)	111,579	-
Proceeds from sale of bonds	-	-	3,000,000	3,000,000
Premium on bonds sold	-	-	57,999	57,999
Bond issuance costs	-	-	(57,555)	(57,555)
TOTAL OTHER FINANCING SOURCES (USES)	-	(111,579)	3,112,023	3,000,444
NET CHANGE IN FUND BALANCE	2,776,018	200,981	1,021,332	3,998,331
FUND BALANCES - Beginning of the year	6,848,574	1,400,097	4,040,641	12,289,312
Other changes in fund balance	(71,104)	71,104	-	-
FUND BALANCES - End of year	\$ 9,553,488	\$ 1,672,182	\$ 5,061,973	\$ 16,287,643

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds (page 9) \$ 3,998,331

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. A difference results by the amount by which depreciation expense differs from capital outlay in the period:

Capital outlay reported in governmental fund statements	\$ 3,699,772	
Depreciation expense reported in the statement of activities	(2,138,406)	
Net adjustment		1,561,366

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal on long-term debt is an expenditure in the government funds but reduces the liability in the statement of net assets.

Debt issued:		
Bonds issued	(3,000,000)	
Capital lease	(251,944)	
Repayments of debt	1,595,000	
Total adjustment		(1,656,944)

Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized for transactions that do not meet the available criterion for recognition in the current period. In the statement of activities, however, which is presented on the accrual basis, revenues are reported regardless of when they are collected. This adjustment combines the net change of the following revenues:

Restricted state aid	434,561	
Total adjustment		434,561

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net change of the following balances:

Accrued compensated absences	28,378	
Accrued interest on long-term liabilities	(13,354)	
Combined adjustment		15,024

Change in net assets of governmental activities (page 6) \$ 4,352,338

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

Thornton Fractional Township High School District No. 215 (the "District") is located in Southern Cook County, Illinois. The District is responsible for educating students in ninth through twelfth grades who reside within the geographical boundaries of the Village of Burnham, City of Calumet City, Village of Lansing, and Village of Lynwood.

The District is a primary government. It was organized as a legal township high school district on April 12, 1926 and is governed by a Board of Education composed of seven elected members. These financial statements present Thornton Fractional Township High School District No. 215, a legally separate and fiscally independent government.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no legally separate organizations for which the elected officials of the District are financially accountable that would be considered to be a component unit of the District's financial reporting entity.

B. BASIS OF PRESENTATION

District-wide Financial Statements: The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements present governmental activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or if the assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds. Also, the school district may decide what is a major fund. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds.

The District reports the following major governmental funds:

The *Educational Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds. Special Education is included in the Educational fund.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The *Operations and Maintenance Fund* is a special revenue fund used to account for all costs of maintaining, improving, or repairing school buildings and property or renting buildings and property for school purposes and the related revenues.

Other governmental (nonmajor) funds of the District consist of the following funds:

The *Transportation Fund* is a special revenue fund created when the District pays the costs of transporting pupils for any purpose. Moneys received for transportation purposes from any source and related costs of transportation are accounted for in this fund.

The *Municipal Retirement/Social Security Fund* is a special revenue fund created when a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits and/or social security and medicare only payments for covered employees.

The *Bond and Interest Fund* is a debt service fund maintained to account for separate taxes levied to provide cash to retire bonds and to pay the interest and other related costs on them.

The *Working Cash Fund* is a special revenue fund created when a separate tax is levied for working cash purposes or if bonds are sold for this purpose.

The *Site and Construction Fund* is a capital projects fund created to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *Tort Immunity Fund* is a special revenue fund created when a separate tax is levied for the purpose of paying all costs relating to insurance and loss prevention.

The *Fire Prevention and Safety Fund* is a capital projects fund created when a tax is levied or bonds issued for fire prevention, safety, energy conservation, or school security purposes. The moneys received from the levy or the proceeds of the bond issue may only be used for the purposes stipulated in Section 17-2.11 of the School Code.

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The District reports the following fiduciary fund type:

Agency Funds include both Student Activity Funds and Convenience Accounts. They account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

District-wide and Fiduciary Fund Financial Statements

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (i.e., intended to finance). Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The District considers all revenues reported in the governmental funds to be available if the revenues are due (or past due) within sixty days after year-end. Property taxes, grants, tuition, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. CASH AND INVESTMENTS

The Thornton Fractional Township School Treasurer is the official custodian of moneys for the school districts within the township, including the District, as prescribed by Chapter 105, Section 5, Article 8 of the *Illinois Compiled Statutes*. The Township School Treasurer's Office, a legally separate entity under the oversight of the Thornton Fractional Township Trustees of Schools, pools the districts' moneys and invests, on the districts' behalf, in a cash and investment portfolio.

The Thornton Fractional Township School Treasurer is separately audited and is not included in these financial statements. Financial information may be obtained directly from the Thornton Fractional Township School Treasurer at 606 Burnham Avenue, Calumet City, Illinois 60409.

The Township School Treasurer's Office has adopted a formal written investment and cash management policy. The policy requires collateralization or independent third party insurance for deposits in federally insured institutions in excess of FDIC coverage limits, and other institutions in which the Treasurer's Office has invested. The Township School Trustees must approve the type of institution in which investments are made.

Deposits held in the District's name, consisting of imprest and activity fund accounts, are reported at cost. The District's equity in the Township School Treasurer's Pool is reported based on the cost or amortization cost of the underlying deposits and investments of the pool, which approximates fair value. Interest earned is deposited quarterly into the participating school districts' various funds.

E. PROPERTY TAXES RECEIVABLE

Property taxes receivable represent the 2009 and prior net uncollected tax levies. An allowance for estimated collection losses of 4% of the total levy has been provided to reduce the receivable to the estimated amounts collectible.

F. CAPITAL ASSETS

Capital assets, which include land, buildings, furniture, and equipment are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$2,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements with total project costs of \$10,000 or greater are capitalized as projects are constructed.

Land improvements, buildings, furniture, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u> <u>(Years)</u>
Land improvements	20
Building improvements	20 - 40
Transportation equipment	5
Other equipment	5 - 20

G. DEFERRED REVENUE

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when the District receives resources before it has a legal claim to them. In subsequent periods, when the revenue recognition criterion is met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the district-wide level arise only when the District receives resources before it has a legal claim to them.

H. COMPENSATED ABSENCES

The District's vacation and sick leave policies and agreements permit employees to accumulate earned but unused vacation and sick leave. Noncertified employees earn vacation days during the year at varying rates based on years of service. These vacation days must be taken within the subsequent year or are lost. Certified employees who work less than 12 calendar months per year do not earn vacation days. Employees receive 15 sick days annually and the unused portion is accumulated and carried forward. Employees who retire, resign or are dismissed as a result of a reduction of force and who have at least ten years of full time service in the District receive compensation for their accumulated sick leave, less any days of sick leave credited to a retirement system. Members of TRS and IMRF (see Note 11) may receive a maximum of two years and one year of credit, respectively, at retirement for unused, uncompensated sick leave.

The liability for sick leave is estimated using the vesting method and assumes that any days available for up to one year of service credit will be credited to a retirement system rather than paid by the District. In the fund financial statements, governmental funds report compensated absences as expenditures and as fund liabilities to the extent that the liabilities have matured (that is, became due for payment during the period). The liabilities for compensated absences that are not currently payable are reported as long-term liabilities in the district-wide statements.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

J. USE OF RESTRICTED RESOURCES

When both restricted and unrestricted resources are available to use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

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K. INVENTORIES

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

2. DEPOSITS AND INVESTMENTS

The District is allowed to invest in securities as authorized by the *Illinois Compiled Statutes*, Chapter 30, Sections 235/2 and 235/6; and Chapter 105, Section 5/8-7.

The District's cash is deposited with the Thornton Fractional Township School Treasurer's Office. The Treasurer invests the cash in a pool under policy guidelines established through the Treasurer's investment policy. Credit risk, concentration of credit risk, and interest rate risk (as applicable) regarding the cash held by the Treasurer is included in the annual audited financial statements of the Thornton Fractional Township Trustees of Schools.

All deposits and investments of the District, except imprest and activity fund accounts, are maintained in the external cash and investment pool managed by the Thornton Fractional Township School Treasurer's Office. Each fund type's portion of this pool is displayed on the combined statement of assets and liabilities arising from cash transactions as "Cash/investments - pooled accounts". As of June 30, 2010, there was no material difference between the fair value and reported amount of the District's equity in the pool.

The District's imprest and activity fund accounts at year-end were entirely covered by federal depository insurance.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

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	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Government activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 560,301	\$ -	\$ -	\$ 560,301
Construction in progress	-	2,745,791	-	2,745,791
Total capital assets not being depreciated	560,301	2,745,791	-	3,306,092
<i>Capital assets being depreciated:</i>				
Buildings	58,990,396	-	-	58,990,396
Land/Building improvements	6,468,042	13,138	-	6,481,180
Equipment	8,922,591	940,843	-	9,863,434
Total capital assets being depreciated	74,381,029	953,981	-	75,335,010
Less accumulated depreciation for:				
Buildings	16,407,170	1,368,781	-	17,775,951
Land/Building improvements	1,545,372	359,954	-	1,905,326
Equipment	6,791,320	409,671	-	7,200,991
Total accumulated depreciation	24,743,862	2,138,406	-	26,882,268
Total capital assets being depreciated, net	49,637,167	(1,184,425)	-	48,452,742
Governmental activity capital assets, net	\$ 50,197,468	\$ 1,561,366	\$ -	\$ 51,758,834

Total depreciation for the year is \$2,138,406. Depreciation expense is reported on the Statement of Activities. It is allocated to specific functions/programs of the District as follows: \$1,728,735 of depreciation on buildings and land improvements, which is charged to facilities acquisition and construction services and \$24,062 of depreciation on food service equipment, which is charged to food services. The remaining \$385,609 is recorded as unallocated.

4. **LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation	\$ 23,060,000	\$ 3,000,000	\$ (1,595,000)	\$ 24,465,000	\$ 1,715,000
Capital lease	-	318,983	(67,039)	251,944	61,595
Accrued vacation	29,565	5,683	-	35,248	35,248
Accrued sick leave	201,143	-	(34,061)	167,082	98.5
	\$ 23,290,708	\$ 3,324,666	\$ (1,696,100)	\$ 24,919,274	\$ 1,812,828

A. **BONDS PAYABLE**

General obligation bonds payable at June 30, 2010, consisted of the following individual issues:

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<p>\$9,995,000 School Bonds, Series 2002, dated December 15, 2002 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 2.50 to 4.60 percent through December 2022; bonds due on or after December 1, 2012 are subject to redemption at the option of the District as a whole or in part on December 1, 2012 or any date thereafter.</p>	\$ 7,365,000
<p>\$9,000,000 School Bonds, Series 2003, dated February 1, 2003 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 2.50 to 5.00 percent through December 2022; bonds due on or after December 1, 2012 are subject to redemption at the option of the District as a whole or in part on December 1, 2012 or any date thereafter.</p>	6,555,000
<p>\$6,000,000 School Bonds, Series 2005, dated July 1, 2005 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.50 percent through December 2022; bonds due on or after December 1, 2015 are subject to redemption at par at the option of the District as a whole or in part on December 1, 2015 or any date thereafter.</p>	5,245,000
<p>\$4,000,000 School Bonds, Series 2006, dated December 1, 2006 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.25 percent through December 2013; bonds are non-callable.</p>	2,300,000
<p>\$1,275,000 G.O. School Bonds, Series 2009A, dated July 2, 2009 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 3.00 to 5.00 percent through December 1, 2020; bonds are non-callable.</p>	1,275,000
<p>\$1,725,000 G.O. School Bonds, Series 2009B – Build America Bonds, dated July 2, 2009 issued for building purposes; providing for the serial retirement of principal on December 1 (beginning 12/1/20) and interest payable on June 1 and December 1 of each year at rates varying from 6.125 to 6.50 percent through December 1, 2029; bonds due on or after December 1, 2019 are subject to redemption at the option of the District as a whole or in part on December 1, 2018 or any date thereafter. The District receives a subsidy equaling thirty-five (35) percent of the interest payments due.</p>	1,725,000
	<u>\$24,465,000</u>

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At June 30, 2010, the annual cash flow requirements of bond principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 1,715,000	\$ 1,058,797	\$ 2,773,797
2012	1,840,000	981,274	2,821,274
2013	1,920,000	898,406	2,818,406
2014	1,700,000	820,590	2,520,590
2015	1,365,000	756,509	2,121,509
2016-2020	7,775,000	2,832,976	10,607,976
2021-2025	6,700,000	1,036,124	7,736,124
2026-2029	1,450,000	179,334	1,629,334
	<u>\$ 24,465,000</u>	<u>\$ 8,564,010</u>	<u>\$ 33,029,010</u>

B. CAPITAL LEASE OBLIGATIONS

The District acquired two drivers-ed cars and six buses during fiscal year 2010. The Drivers-ed cars are being leased with First National Bank of Illinois in the amount of \$63,270.60 with a maturity date of September 15, 2013. The monthly payments are \$1,460.72. The buses are being leased by two companies. Two buses are leased with Sovereign Bank in the amount of \$79,816.00 with five annual payments, with the final payment due August 28, 2013. The annual payments are \$17,622.00. The remaining four buses are leased with Key Government Finance, Inc. in the amount of \$175,896.10 with five annual payments, with the final payment due January 30, 2014. The annual payments are \$38,475.54. These are reported as fixed assets purchases because when the leases expire the intention is to own the cars and buses.

At June 30, 2010, the annual cash flow requirements of capital lease principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 61,595	\$ 12,031	\$ 73,626
2012	64,646	8,980	73,626
2013	67,856	5,770	73,626
2014	57,847	2,633	60,480
	<u>\$ 251,944</u>	<u>\$ 29,414</u>	<u>\$ 281,358</u>

5. SPECIAL TAX LEVIES AND RESTRICTED EQUITY

A. TORT IMMUNITY LEVY

Effective July 1, 2008, revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Tort Immunity Fund. Prior to July 1, 2008 these revenues and expenditures were accounted for in the Education Fund. As of July 1, 2008, \$109,955 of the Education Fund's beginning fund balance was reserved for Tort Immunity expenditures and transferred from the Education Fund into the newly formed Tort Immunity Fund. As of June 30, 2010, this funds' equity of \$30,933 represents the excess of cumulative revenues received over cumulative expenditures disbursed which is restricted for future tort immunity expenditures in accordance with Chapter 745, Section 10/9-101 to 9-107 of the *Illinois Compiled Statutes*. The following expenditures represent payments made from the Tort Immunity Fund:

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Workers' Compensation Act and/or Workers' Occupational Disease Act	\$ 137,364
Unemployment Insurance Act	\$ 60,806
Insurance (Regular or Self-Insurance)	\$ 129,113
Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction	\$ 62,033

B. SPECIAL EDUCATION LEVY

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. As of June 30, 2010, cumulative expenditures disbursed equal or exceeded cumulative revenues received, therefore, no portion of this fund's equity is restricted for future special education expenditures in accordance with Chapter 105, Section 5/17-2.2a of the *Illinois Compiled Statutes*.

6. PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Property is appraised by the County Assessor at various percentages of fair market value and then subjected to equalization by standard of 33-1/3 of fair market value.

Property taxes levied for any year attach as an enforceable lien on property as of January 1 and are due and payable in the following calendar year. Real estate tax bills are payable in two installments. The first installment is computed at 55% of the prior year's bill and is mailed in late January with a March 1 due date. The second installment is computed after the assessed valuations for the current year have been determined, usually in June or July. Final tax bills are mailed with a penalty date at least 30 days after the date of mailing, but not earlier than August 1. The District receives significant distributions of tax receipts approximately one month after these due dates.

The Board passed the current levy on December 15, 2009. The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100.00 of equalized assessed valuation:

	Limit	Actual 2009 Levy	Actual 2008 Levy
Educational	3.5000	2.1024	2.0610
Tort Immunity	As needed	0.0342	0.0360
Special Education	0.4000	0.0162	0.0170
Operations and Maintenance	0.5500	0.2597	0.2730
Transportation	As needed	0.0783	0.0721
Municipal Retirement	As needed	0.0245	0.0258
Social Security	As needed	0.0735	0.0773
Bond and Interest	As needed	0.2601	0.2739
Life Safety	0.1000	-	-
Working Cash	0.0500	0.0324	0.0341
		2.8813	2.8702

For taxing districts in Cook County, including the District, the tax rate limit is required to be applied to the equalized assessed valuation (EAV) of property for the levy year prior to the levy year for which taxes are then being extended. The actual levy rate is stated based on the current EAV of property. As a result, a tax rate may be at its maximum for the levy year even though it is less than its corresponding limit.

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7. JOINT VENTURES

EXCEPTIONAL CHILDREN HAVE OPPORTUNITIES (A JOINT AGREEMENT)

The District is a participant in Exceptional Children Have Opportunities (ECHO), which was established as a result of a joint agreement between 17 local public school districts for the purpose of providing special education services to the children of its member districts. The joint agreement is governed by a Board of Directors composed of superintendents (or an alternative person appointed by the superintendent) from each member district. Complete financial statements of the joint agreement may be obtained from its administrative office at 350 West 154th Street, South Holland, Illinois 60473. The District paid \$2,596,476 to ECHO for tuition and services during the year ended June 30, 2010.

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2009, the most recent information available:

Total assets-modified cash basis	\$ 6,094,604	Revenues received	\$ 41,902,182
Total liabilities-modified cash basis	\$ -	Expenditures disbursed	\$ 50,431,844
Net assets - invested in capital assets-modified cash basis	\$ 9,125,461	Net increase/decrease in fund balance	\$ (8,529,662)
Unrestricted net assets - modified cash.	\$ (3,030,857)		
Total net assets-modified cash basis	\$ 6,094,604		

8. CONTINGENCIES

The District has received funding from State and Federal grants in the current and prior years, which are subject to audits by the granting agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, District management believes that such disallowances, if any, would be immaterial.

9. RISK MANAGEMENT

The District is exposed to various risks of loss including general liability, property and casualty, errors and omissions, workers compensation, unemployment compensation and employee health and medical benefits. In lieu of paying unemployment contributions, the District has elected to reimburse the State of Illinois for the actual amount of benefits paid to their former workers.

The District has elected to provide employee health and medical benefits through a self-insured plan and accordingly, is liable for all employees' health claims that are approved for payment. The District has obtained stop-loss insurance from a commercial company to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the plan year ending December 31, 2010 are \$100,000 for individual claims and approximately \$3,780,120 for aggregate claims. The aggregate stop-loss limit is equal to \$12,575 multiplied by the average number of employees during the stop-loss coverage period.

For all other risks of loss, the District has joined together with other school districts to form various pools through which to manage its risk of loss. The District is a member of Suburban School Cooperative Insurance Pool (SSCIP) for its general liability, property and casualty, and errors and omissions coverage and School Employee Loss Fund (SELF) for workers compensation coverage. These public entity risk pools operate as common risk management and insurance programs. They receive premiums from member districts and reinsure through commercial companies to limit the liability for claims in excess of coverage provided by the pool. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. Also, there were no significant reductions in insurance coverage in the current fiscal year.

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10. EMPLOYEE RETIREMENT PROGRAMS

A. TEACHERS' RETIREMENT SYSTEM

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2010, was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2009 and 2008.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2010, State of Illinois contributions were based on 23.38 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$4,828,400 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2009 and June 30, 2008, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 17.08 percent (\$3,413,493) and 13.11 percent (\$2,432,961), respectively.

The District makes other types of employer contributions directly to TRS:

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2010 were \$122,107. Contributions for the years ending June 30, 2009 and June 30, 2008, were \$117,094 and \$107,637, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2010, the employer pension contribution was 23.38 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2009 and 2008, the employer contribution was 17.08 and 13.11 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2010, salaries totaling \$401,037 were paid from federal and special trust funds that required employer contributions of \$93,762. For the years ended June 30, 2009 and June 30, 2008, required District contributions were \$35,544 and \$74,251, respectively.

Early Retirement Option (ERO). The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

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Public Act 94-0004 made changes in the ERO program that were in effect for all ERO retirements in fiscal years 2008 through 2010. The act increased member and employer contributions and eliminated the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service.

Under the current ERO, the maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2010, the District paid no amount to TRS for employer contributions under the ERO program. For the years ended June 30, 2009 and June 30, 2008, the District paid \$409,913 and \$284,956 in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave. Public Act 94-0004 added two additional employer contributions to TRS.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2010, the District paid no amount to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2009 and June 30, 2008, the District paid \$16,210 and \$5,733 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.55 percent of salary during the year ended June 30, 2010).

For the years ended June 30, 2010, 2009, and 2008, the District did not have anyone retire under this section.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2009. The report for the year ended June 30, 2010 is expected to be available in late 2010.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

B. IMRF PENSION PLAN

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

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Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 7.59 percent of annual covered payroll. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For fiscal year ending December 31, 2009, the District's annual pension cost of \$334,325 for the Regular plan was equal to the District's required and actual contributions.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2009	\$334,325	100%	\$0
12/31/2008	\$266,719	100%	\$0
12/31/2007	\$249,515	100%	\$0

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 valuation was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 75.48 percent funded. The actuarial accrued liability for benefits was \$9,785,654 and the actuarial value of assets was \$7,386,560, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,399,094. The covered payroll (annual payroll of active employees covered by the plan) was \$4,404,806, and the ratio of the UAAL to the covered payroll was 54 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

11. POSTEMPLOYMENT BENEFITS

A. TEACHER HEALTH INSURANCE SECURITY

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The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS.

The percentage of employer required contributions in the future will be determined by the director of Healthcare and Family Services and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.84 percent of pay during the year ended June 30, 2010. State of Illinois contributions were \$176,844, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2009 and June 30, 2008 were also 0.84 percent of pay. State contributions on behalf of District employees were \$169,625 and \$155,888, respectively.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.63 percent during the years ended June 30, 2010, 2009, and 2008. For the year ended June 30, 2010, the District paid \$132,633 to the THIS Fund. For the years ended June 30, 2009 and June 30, 2008, the District paid \$127,219 and \$116,916 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

B. POSTRETIREMENT MEDICAL PLAN

Effective for the year ended June 30, 2009, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment health benefits provided by the District.

Plan Description. The District's Health Insurance Plan for Retired Employees provides limited health care coverage for its eligible retired employees. The plan is funded on a pay-as-you-go basis. Employees are eligible upon retirement if they were enrolled in the active medical plan immediately prior to retiring. Eligibility and coverage varies based on employee classification as described below:

Certified (Teachers and Administrators): TRS-eligible employees are not eligible for continuation of coverage through the District plan.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Non-Certified: Eligible for benefits once they meet criteria for retirement under IMRF plan (age 55 and 8 years of service). All eligible Non-Certified employees and their spouses are eligible to continue medical, dental, vision and prescription drug coverage with the District plans upon retirement. Coverage is allowed to continue after age 65 with the retiree paying 100% of the required premium.

Membership in the plan consisted of the following as of June 30, 2010:

Actives	79
Retirees	17
Dependents	9
Total	105
Number of participating employers	1

ANNUAL OPEB COST AND NET OPEB OBLIGATIONS

	June 30, 2009	June 30, 2010
Annual required contribution	\$ 47,785	\$ 47,443
Interest on net OPEB obligation	-	-
Annual OPEB cost	47,785	47,443
Assumed contributions	28,572	25,950
Increase in net OPEB obligation	19,213	21,493
Net OPEB obligation at beginning of year	-	19,213
Net OPEB obligation at end of year	\$ 19,213	\$ 40,706

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 47,443	54.70%	\$ 40,706
6/30/2009	\$ 47,785	59.79%	\$ 19,213
6/30/2008	Not Available	Not Available	Not Available

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

ANNUAL REQUIRED CONTRIBUTION

	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Normal cost (cost of upcoming year benefit accruals for actives)	\$ 26,112	N/A
Amortization of the UAAL (up to 30 year maximum)	19,835	N/A
Interest Adjustment (to end of year)	1,838	N/A
Annual Required Contribution	<u>\$ 47,785</u>	<u>\$ 47,785</u>
Interest on Net OPEB Obligation	-	769
Amortization of NOO	-	(1,111)
Annual OPEB Cost	<u><u>\$ 47,785</u></u>	<u><u>\$ 47,443</u></u>

FUNDED STATUS

(a) Actuarial accrued liability	\$ 356,704
(b) Actuarial value of plan assets	-
Unfunded actuarial accrued liability (funding excess) [(a) - (b)]	<u><u>\$ 356,704</u></u>
Funded ratio (b) / (a)	0.00%
(c) Covered payroll	Not Available
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) - (b)) / (c)	Not Available

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

Contribution rates:	
District	0.00%
Plan members	0.00%
Actuarial valuation date	7/1/2008
	<p><u>Projected Unit Credit ("PUC")</u> - Costs attributable to past service and the current year's service determined by prorating Present Value of Benefits ("PVB") over all years of service that benefits are expected to be paid from the plan.</p> <p><u>Normal Cost ("NC")</u> - The portion of the Present Value which is allocated to the valuation year by the actuarial cost method. Under PUC, the current year's portion is equal to the PVB divided by the total credited service at the anticipated retirement date.</p> <p><u>Actuarial Accrued Liability ("AAL")</u> - Present value of the past service liability of the employee's total PVB. Under PUC, AAL = PVB times the ratio of the participant's credited service to the total credited service at the anticipated retirement date.</p>
Actuarial cost method	
Amortization of the UAAL	Closed, level dollar amortization over maximum allowable period of 30 years.
Asset valuation method	N/A
Actuarial assumptions:	
Discount rate	4.00%
Healthcare inflation rate	9.52% initial, 5.00% ultimate
Mortality table	RP-2000 Combined Healthy Mortality Table - Projected with Scale AA fully generational.
Disability rates	None assumed.
Participation	50% of the Non-Certified active employees currently enrolled in the District plan are assumed to participate in the same medical plan upon retirement.
Lapse rate	No current retirees are assumed to lapse coverage.
Actuarial Valuation Frequency	An actuarial valuation is prepared triennially, provided no significant events have occurred warranting a new measurement. The Annual Required Contribution (ARC) for the current fiscal year is based upon the results of the most recent actuarial valuation.

12. NEW ACCOUNTING PRONOUNCEMENTS

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 15, 2010. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Statement 54 is effective for the District's fiscal year ending June 30, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
EMPLOYER NUMBER: 02269R
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 7,386,560	\$ 9,785,654	\$ 2,399,094	75.48%	\$4,404,806	54.47%
12/31/08	\$ 7,510,741	\$ 9,666,562	\$ 2,155,821	77.70%	\$4,128,777	52.21%
12/31/07	\$10,087,005	\$ 9,540,342	\$ (546,663)	105.73%	\$3,898,677	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$7,083,809. On a market basis, the funded ratio would be 72.39%.

For information regarding pension contribution percentages rates, assumptions and amortization method, see Note 10-B.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
 POSTRETIREMENT MEDICAL PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 JUNE 30, 2010

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/08	\$ -	\$ 356,704	\$ 356,704	0.00%	N/A	N/A

For information regarding postretirement medical plan percentages rates, assumptions and amortization method, see Note 11-B.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
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NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 19,491,382	\$ 20,233,757	\$ 19,310,322
Charges for services	1,006,400	771,775	922,011
Refund of prior year expenditures	400,000	498,509	546,750
Investment earnings	200,200	84,976	224,998
Flow-through revenue from state sources	5,000	55,427	-
Flow-through revenue from federal sources	45,055	-	-
Unrestricted general state aid	10,500,000	8,485,855	7,294,678
Restricted state aid			
Special education	1,378,000	1,039,083	1,001,315
Vocational education	131,003	62,888	185,089
Driver education	82,000	63,413	81,544
ADA safety and educational block grant	116,000	14,835	115,989
Other restricted state grants-in-aid	100,968	91,922	122,891
Total restricted state aid	<u>1,807,971</u>	<u>1,272,141</u>	<u>1,506,828</u>
Restricted federal aid			
Title V - innovative programs	-	362	82
National school lunch program	550,000	706,152	546,061
Title I - low income	615,236	662,577	289,306
ARRA- Title I - low income	289,571	215,000	-
Title I - school improvement	-	33,100	85,262
Title IV - safe and drug free schools	16,155	12,620	2,838
Special education IDEA flow through	579,982	519,394	763,230
Special education IDEA room and board	105,000	52,735	86,420
ARRA- Special education IDEA flow through	787,526	775,499	-
Vocational education	113,846	124,031	114,428
ARRA - general state aid	-	2,195,037	2,572,019
Title II - teacher quality/Class size reduction	138,878	85,829	87,631
Medicaid matching fund	194,000	280,696	202,669
ARRA- Mckinney-Vento Homeless	3,434	3,434	-
Other restricted federal aid	3,000	319	7,651
Total restricted federal aid	<u>3,396,628</u>	<u>5,666,785</u>	<u>4,757,597</u>
TOTAL DIRECT REVENUES RECEIVED	<u>\$ 36,852,636</u>	<u>\$ 37,069,225</u>	<u>\$ 34,563,184</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED			
Current			
Instruction			
Regular programs			
Salaries	\$ 12,677,577	\$ 12,499,227	\$ 11,872,773
Employee benefits	2,152,982	1,624,151	1,991,288
Purchased services	189,295	191,961	471,003
Supplies and materials	437,850	448,385	344,539
Other	1,730,590	27,649	10,984
	<u>17,188,294</u>	<u>14,791,373</u>	<u>14,690,587</u>
Special education programs			
Salaries	2,261,691	2,178,940	2,117,753
Employee benefits	240,710	300,259	221,802
Purchased services	-	12,079	53,408
Supplies and materials	6,113	4,860	9,186
	<u>2,508,514</u>	<u>2,496,138</u>	<u>2,402,149</u>
Other instructional programs			
Vocational programs			
Salaries	1,262,880	1,338,330	1,183,469
Employee benefits	149,970	213,112	136,670
Purchased services	271,900	221,654	231,547
Supplies and materials	65,954	53,580	136,730
Non-capitalized equipment	-	1,840	-
	<u>1,750,704</u>	<u>1,828,516</u>	<u>1,688,416</u>
Interscholastic programs			
Salaries	1,222,196	1,254,026	1,216,793
Employee benefits	26,100	25,835	24,812
Purchased services	178,673	191,616	168,442
Supplies and materials	126,881	121,499	123,433
Other	49,370	47,219	46,121
	<u>\$ 1,603,220</u>	<u>\$ 1,640,195</u>	<u>\$ 1,579,601</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Instruction (continued)			
Other instructional programs (continued)			
Summer school program			
Salaries	\$ 121,690	\$ 123,047	\$ 103,560
Employee benefits	600	289	525
Purchased services	5,000	5,000	12,000
Supplies and materials	18,000	-	37,446
	145,290	128,336	153,531
Drivers education			
Salaries	355,244	355,244	335,872
Employee benefits	2,000	2,095	1,938
Purchased services	16,480	18,155	16,646
Supplies and materials	6,800	4,197	5,679
	380,524	379,691	360,135
Total other instructional programs	3,879,738	3,976,738	3,781,683
Support services			
Pupil services			
Attendance & social work services			
Salaries	1,244,746	1,231,087	959,247
Employee benefits	75,460	213,595	68,726
Purchased services	1,000	545	7,183
Supplies and materials	11,794	14,879	25,318
	1,333,000	1,460,106	1,060,474
Guidance services			
Salaries	960,195	986,047	930,592
Employee benefits	117,470	123,114	107,035
Purchased services	49,037	21,147	20,485
Supplies and materials	24,500	14,797	22,240
Other	2,500	999	2,115
	1,153,702	1,146,104	1,082,467
Health services			
Salaries	101,920	110,970	85,521
Employee benefits	23,210	15,863	21,076
Supplies and materials	2,105	2,054	2,456
	\$ 127,235	\$ 128,887	\$ 109,053

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Support services (continued)			
Pupil services (continued)			
Psychological services			
Salaries	\$ 96,564	\$ 91,260	\$ 86,327
Employee benefits	18,720	15,740	17,075
Supplies and materials	600	386	7
	<u>115,884</u>	<u>107,386</u>	<u>103,409</u>
Speech pathology and audiology services			
Salaries	76,968	79,122	101,629
Employee benefits	600	466	598
Supplies and materials	955	353	416
Other	-	225	-
	<u>78,523</u>	<u>80,166</u>	<u>102,643</u>
Total pupil services	<u>2,808,344</u>	<u>2,922,649</u>	<u>2,458,046</u>
Instructional staff services			
Improvement of instruction services			
Salaries	223,671	299,169	273,504
Employee benefits	54,787	48,439	64,643
Purchased services	124,912	160,530	385,616
Supplies and materials	452,780	249,549	386,582
Other	3,500	2,256	1,976
	<u>859,650</u>	<u>759,943</u>	<u>1,112,321</u>
Educational media services			
Salaries	199,109	196,848	182,551
Employee benefits	30,880	16,364	28,063
Purchased services	2,300	-	1,500
Supplies and materials	47,014	45,381	29,200
	<u>\$ 279,303</u>	<u>\$ 258,593</u>	<u>\$ 241,314</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Support services (continued)			
Instructional staff services (continued)			
Assessment/Testing			
Supplies and materials	\$ -	\$ 140,261	\$ 23,694
	-	140,261	23,694
Total instructional staff services	1,138,953	1,158,797	1,377,329
General administration services			
Title I District			
Salaries	-	29,997	-
Employee benefits	-	11,046	-
	-	41,043	-
General administration services			
Board of education services			
Employee benefits	56,213	16,210	-
Purchased services	669,927	532,772	660,608
	726,140	548,982	660,608
Executive administration services			
Salaries	378,797	284,928	378,165
Employee benefits	110,386	203,093	482,064
Purchased services	72,300	35,196	62,098
Supplies and materials	23,600	11,429	20,643
Other	13,000	11,221	10,026
	\$ 598,083	\$ 545,867	\$ 952,996

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Support services (continued)			
General administration services (continued)			
Special area administration services			
Salaries	\$ 181,376	\$ 217,056	\$ 148,103
Employee benefits	54,890	60,572	50,630
Purchased services	5,000	2,816	45,520
Supplies and materials	4,000	32,722	2,488
Other	1,000	494	796
	<u>246,266</u>	<u>313,660</u>	<u>247,537</u>
Total general administration services	<u>1,570,489</u>	<u>1,449,552</u>	<u>1,861,141</u>
Office of the principal services			
Salaries	1,494,541	1,198,667	1,507,796
Employee benefits	427,350	305,079	402,186
Purchased services	15,392	11,313	13,122
Supplies and materials	41,708	59,668	56,747
Other	800	295	295
	<u>1,979,791</u>	<u>1,575,022</u>	<u>1,980,146</u>
Other support services			
Salaries	24,600	-	-
Employee benefits	8,676	-	-
	<u>33,276</u>	<u>-</u>	<u>-</u>
Business services			
Direction of business support services			
Salaries	80,500	80,815	61,702
Employee benefits	10,600	19,203	7,980
	<u>91,100</u>	<u>100,018</u>	<u>69,682</u>
Fiscal services			
Salaries	249,392	178,744	186,898
Employee benefits	58,630	30,405	53,300
Purchased services	9,575	2,710	4,967
Supplies and materials	5,000	3,001	3,106
Other	1,000	707	675
	<u>\$ 323,597</u>	<u>\$ 215,567</u>	<u>\$ 248,946</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Food services			
Salaries	\$ 422,006	\$ 440,846	\$ 404,007
Employee benefits	27,080	38,005	24,619
Purchased services	27,000	14,582	14,824
Supplies and materials	574,750	715,116	549,780
	<u>1,050,836</u>	<u>1,208,549</u>	<u>993,230</u>
Internal services			
Salaries	58,657	56,736	82,435
Employee benefits	-	-	17
Purchased services	2,000	-	-
Supplies and materials	8,000	5,772	7,643
	<u>68,657</u>	<u>62,508</u>	<u>90,095</u>
Total business services	<u>1,567,466</u>	<u>1,586,642</u>	<u>1,401,953</u>
Operations and maintenance of plant services			
Employee benefits	-	-	1
Purchased services	234,100	245,808	163,923
	<u>234,100</u>	<u>245,808</u>	<u>163,924</u>
Total operations and maintenance of plant services	<u>234,100</u>	<u>245,808</u>	<u>163,924</u>
Pupil transportation services			
Purchased services	540	-	-
	<u>540</u>	<u>-</u>	<u>-</u>
Total pupil transportation services	<u>540</u>	<u>-</u>	<u>-</u>
Central and other support services			
Other support services			
Salaries	178,607	179,807	185,303
Employee benefits	31,240	15,203	28,403
Purchased services	353,500	361,772	299,749
Supplies and materials	345,500	270,184	307,568
Other	400	534	318
	<u>400</u>	<u>534</u>	<u>318</u>
Total central and other support services	<u>\$ 909,247</u>	<u>\$ 827,500</u>	<u>\$ 821,341</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Community services			
Employee benefits	\$ -	\$ -	\$ 13,173
Purchased services	6,158	18,731	13,988
Supplies and materials	3,511	-	1,980
Total community services	9,669	18,731	29,141
Nonprogrammed charges			
Payments to other governmental units			
Payments for regular programs	-	15,477	-
Payments for special education programs	2,524,278	3,749,144	2,866,765
Total nonprogrammed charges	2,524,278	3,764,621	2,866,765
Capital outlay			
Regular programs	23,117	45,614	73,145
Vocational programs	30,500	30,569	27,510
Interscholastic programs	6,000	-	-
Drivers education	-	63,271	-
Guidance services	1,200	-	-
Attendance and social work services	9,000	2,415	-
Improvement of instruction services	6,000	-	2,399
Educational media services	6,400	71,921	1,316
Executive administration services	4,000	-	3,013
Special area administration services	1,000	-	-
Internal services	2,000	-	-
Office of the principal services	62,140	27,755	74,578
Fiscal services	2,400	-	-
Food services	25,000	15,400	-
Other support services	315,600	373,888	246,071
Total capital outlay	\$ 494,357	\$ 630,833	\$ 428,032

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
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EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010	2009	
	Original and Final Budget	Actual	Actual
TOTAL DIRECT EXPENDITURES DISBURSED	\$ 36,813,780	\$ 35,444,404	\$ 34,262,237
NET CHANGE IN FUND BALANCE	<u>\$ 38,856</u>	1,624,821	300,947
FUND BALANCE - Beginning (Budgetary Basis)		6,848,574	7,137,641
Other changes in fund balance		(71,104)	-
REALLOCATE TO FUND 80 (SEE NOTE 5A)		-	(109,955)
FUND BALANCE - Ending (Budgetary Basis)		8,402,291	7,328,633
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		860,241	(219,580)
To adjust for expenditure accruals		290,956	(260,479)
FUND BALANCE - Ending (GAAP Basis)		<u>\$ 9,553,488</u>	<u>\$ 6,848,574</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 1 of 2

OPERATIONS AND MAINTENANCE FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 2,487,000	\$ 2,571,344	\$ 2,467,927
Corporate personal property replacement taxes	1,000,000	799,256	976,894
Charges for services	110,000	115,512	105,568
Investment earnings	120,000	22,907	115,389
Unrestricted general state aid	720,000	720,000	720,000
TOTAL REVENUES RECEIVED	4,437,000	4,229,019	4,385,778
EXPENDITURES DISBURSED			
Current			
Support services			
Operations & maintenance services			
Salaries	1,852,600	1,743,118	1,762,145
Employee benefits	251,000	334,463	250,007
Purchased services	1,709,300	1,451,656	1,596,124
Supplies and materials	301,000	258,511	327,500
Total operations and maintenance services	4,113,900	3,787,748	3,935,776
Capital outlay			
Facilities acquisition and construction	142,447	142,446	3,174,482
Operations and maintenance	63,000	79,606	54,076
Total capital outlay	205,447	222,052	3,228,558
Debt service			
Interest	111,579	-	-
Total debt service	111,579	-	-
TOTAL EXPENDITURES DISBURSED	4,430,926	4,009,800	7,164,334
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	\$ 6,074	\$ 219,219	\$ (2,778,556)

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 2 of 2

OPERATIONS AND MAINTENANCE FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
OTHER FINANCING USES			
Transfer to Debt service fund	\$ -	\$ (111,579)	\$ -
TOTAL OTHER FINANCING USES	-	(111,579)	-
NET CHANGE IN FUND BALANCE	\$ 6,074	107,640	(2,778,556)
FUND BALANCE - Beginning (Budgetary Basis)		1,400,097	4,148,729
Other changes in fund balances		71,104	-
FUND BALANCE - Ending (Budgetary Basis)		1,578,841	1,370,173
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		(15,115)	(88,062)
To adjust for expenditure accruals		108,456	117,986
FUND BALANCE - Ending (GAAP Basis)		\$ 1,672,182	\$ 1,400,097

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2010

BUDGETS AND BUDGETARY ACCOUNTING

The budget for all governmental fund types is prepared on the cash basis of accounting and excludes on-behalf payments for which the District is not legally responsible. This is a comprehensive basis of accounting other than generally accepted accounting principles. The budget, which was not amended, was passed on September 22, 2009.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. Unexpended budgetary balances lapse at the end of each fiscal year.

The District, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

OVEREXPENDITURE OF BUDGET

At June 30, 2010, the following funds overexpended their budgets:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Overexpended Amount</u>
Bond & Interest	\$ 2,709,415 ✓	\$ 2,709,809 ✓	\$ 394
Transportation	\$ 2,217,914 ✓	\$ 2,547,715 ✓	\$ 329,801
IMRF/Social Security	\$ 1,016,112 ✓	\$ 1,068,809 ✓	\$ 52,697
Tort Immunity	\$ 352,363 ✓	\$ 389,316 ✓	\$ 36,953

OTHER SUPPLEMENTARY INFORMATION

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Transportation	Municipal Retirement/ Social Security	Bond and Interest	Working Cash	Site and Construction	Tort Immunity	Fire Prevention and Safety	Total
ASSETS								
Cash/investments - pooled accounts	\$ 167,574	\$ 515,362	\$ 1,156,104	\$ 2,204,324	\$ 269,733	\$ 30,933	\$ -	\$ 4,344,030
Property taxes receivable, net	411,789	513,371	1,361,832	169,704	-	178,102	-	2,634,798
Due from other governments	1,364,019	-	-	-	-	-	-	1,364,019
Other receivables	-	-	-	-	-	18,639	-	18,639
Accrued interest on investments	384	1,182	2,650	5,051	618	72	-	9,957
TOTAL ASSETS	\$ 1,943,766	\$ 1,029,915	\$ 2,520,586	\$ 2,379,079	\$ 270,351	\$ 227,746	\$ -	\$ 8,371,443
LIABILITIES								
Accounts payable	\$ 140,739	\$ -	\$ 587	\$ -	\$ 4,000	\$ 17,400	\$ -	\$ 162,726
Deferred revenue	942,028	506,313	1,344,326	167,384	-	176,693	-	3,136,744
Other current liabilities	-	-	10,000	-	-	-	-	10,000
TOTAL LIABILITIES	1,082,767	506,313	1,354,913	167,384	4,000	194,093	-	3,309,470
FUND BALANCES								
Unreserved, reported in nonmajor:								
Special revenue funds	860,999	523,602	-	2,211,695	-	33,653	-	3,629,949
Debt service fund	-	-	1,165,673	-	-	-	-	1,165,673
Capital project fund	-	-	-	-	266,351	-	-	266,351
TOTAL FUND BALANCES	860,999	523,602	1,165,673	2,211,695	266,351	33,653	-	5,061,973
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,943,766	\$ 1,029,915	\$ 2,520,586	\$ 2,379,079	\$ 270,351	\$ 227,746	\$ -	\$ 8,371,443

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Transportation	Municipal Retirement/ Social Security	Bond and Interest	Working Cash	Site and Construction	Tort Immunity	Fire Prevention and Safety	Total
REVENUES								
Property taxes	\$ 734,520	\$ 978,202	\$ 2,590,260	\$ 323,030	\$ -	\$ 338,711	\$ -	\$ 4,964,723
Personal property replacement taxes	-	70,000	-	-	-	-	-	70,000
Charges for services	255,712	-	-	-	-	-	-	255,712
Investment income	4,229	6,682	14,290	24,233	11,698	50	-	61,182
Unrestricted state aid	725,000	-	-	-	-	-	-	725,000
Restricted state aid	1,334,031	-	-	-	-	-	-	1,334,031
Restricted federal aid	-	-	34,366	-	-	-	-	34,366
TOTAL REVENUES	3,053,492	1,054,884	2,638,916	347,263	11,698	338,761	-	7,445,014
EXPENDITURES								
Current operating								
Instruction								
Regular instruction	-	192,946	-	-	-	-	-	192,946
Special education instruction	-	67,753	-	-	-	-	-	67,753
Other instruction	-	81,098	-	-	-	-	-	81,098
Support services								
Pupil services	-	128,149	-	-	-	-	-	128,149
Instructional staff services	-	11,831	-	-	-	-	-	11,831
General administration services	-	43,471	-	-	-	-	-	43,471
School administration services	-	91,394	-	-	-	-	-	91,394
Business services	-	48,662	-	-	-	-	-	48,662
Operation & maintenance								
of plant services	-	292,041	-	-	-	-	-	292,041
Pupil transportation services	2,374,927	167	-	-	-	-	-	2,375,094
Food services	-	75,582	-	-	-	-	-	75,582
Central and other support services	-	35,715	-	-	-	-	-	35,715
Tort immunity	-	-	-	-	-	380,213	-	380,213
Debt service	-	-	2,710,253	-	-	-	-	2,710,253
Capital outlay	255,712	-	-	-	2,745,791	-	-	3,001,503
TOTAL EXPENDITURES	2,630,639	1,068,809	2,710,253	-	2,745,791	380,213	-	9,535,705
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	422,853	(13,925)	(71,337)	347,263	(2,734,093)	(41,452)	-	(2,090,691)
OTHER FINANCING SOURCES (USES)								
Permanent transfer	-	-	111,579	-	-	-	-	111,579
Proceeds from sale of bonds	-	-	-	-	3,000,000	-	-	3,000,000
Premiums from sale of bonds	-	-	-	-	57,999	-	-	57,999
Bond issuance costs	-	-	-	-	(57,555)	-	-	(57,555)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	111,579	-	3,000,444	-	-	3,112,023
NET CHANGE IN FUND BALANCE	422,853	(13,925)	40,242	347,263	266,351	(41,452)	-	1,021,332
FUND BALANCE - Beginning of Year	438,146	537,527	1,125,431	1,864,432	-	75,105	-	4,041,641
FUND BALANCE - End of Year	\$ 860,999	\$ 523,602	\$ 1,165,673	\$ 2,211,695	\$ 266,351	\$ 33,653	\$ -	\$ 3,061,973

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 1 of 1

TRANSPORTATION FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 661,000	\$ 727,245	\$ 605,508
Charges for services	-	255,712	-
Investment earnings	7,000	3,882	7,471
Unrestricted general state aid	400,000	725,000	775,000
Restricted state aid			
Transportation aid	1,153,718	986,068	710,416
TOTAL REVENUES RECEIVED	2,221,718	2,697,907	2,098,395
EXPENDITURES DISBURSED			
Current			
Support services			
Pupil transportation services			
Salaries	11,500	11,500	7,769
Employee benefits	900	1,267	856
Purchased services	2,205,514	2,279,236	2,077,607
Total pupil transportation services	2,217,914	2,292,003	2,086,232
Cap: Capital outlay			
Pupil transportation services	-	255,712	-
Total capital outlay pupil trans services	-	255,712	-
TOTAL EXPENDITURES DISBURSED	2,217,914	2,547,715	2,086,232
NET CHANGE IN FUND BALANCE	\$ 3,804	150,192	12,163
FUND BALANCE - Beginning (Budgetary Basis)		438,146	194,955
FUND BALANCE - Ending (Budgetary Basis)		588,338	207,118
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		355,585 ✓	243,019
To adjust for expenditure accruals		(82,924) ✓	(11,991)
FUND BALANCE - Ending (GAAP Basis)		\$ 860,999	\$ 438,146

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 944,800	\$ 971,144	\$ 922,575
Corporate personal property replacement taxes	70,000	70,000	70,000
Investment earnings	14,200	6,601	16,484
	<u>1,029,000</u>	<u>1,047,745</u>	<u>1,009,059</u>
EXPENDITURES DISBURSED			
Current operating			
Instruction			
Regular instruction	201,050	192,946	186,304
Special education instruction	66,700	67,753	61,717
Other instruction	77,282	81,098	69,479
Support services			
Pupil services	119,700	128,149	101,975
Education media	2,550	3,575	2,312
Instructional staff services	11,230	11,831	9,926
General administration services	27,700	39,896	24,605
School administration services	92,000	91,394	83,698
Business services	106,800	124,244	95,877
Operations and maintenance services	274,900	292,041	252,682
Pupil transportation services	200	167	112
Central and other support services	36,000	35,715	32,268
	<u>1,016,112</u>	<u>1,068,809</u>	<u>920,955</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,888</u>	<u>(21,064)</u>	<u>88,104</u>
FUND BALANCE - Beginning (Budgetary Basis)		<u>537,527</u>	<u>472,337</u>
FUND BALANCE - Ending (Budgetary Basis)		516,463	560,441
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		<u>7,139</u>	<u>(22,914)</u>
FUND BALANCE - Ending (GAAP Basis)		<u>\$ 523,602</u>	<u>\$ 537,527</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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BOND AND INTEREST FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 2,468,000	\$ 2,572,754	\$ 2,588,222
Charges for services	111,579	-	-
Investment earnings	38,000	13,967	38,203
Restricted federal aid			
Build america bond interest	34,366	34,366	-
TOTAL REVENUES RECEIVED	<u>2,651,945</u>	<u>2,621,087</u>	<u>2,626,425</u>
EXPENDITURES DISBURSED			
Debt service			
Bond interest	1,127,415	1,113,409	1,031,636
Principal retired	1,580,000	1,595,000	1,535,000
Other debt service	2,000	1,400	1,400
TOTAL EXPENDITURES DISBURSED	<u>2,709,415</u>	<u>2,709,809</u>	<u>2,568,036</u>
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	<u>(57,470)</u>	<u>(88,722)</u>	<u>58,389</u>
OTHER FINANCING SOURCES			
Transfer from operation and maintenance fund	-	111,579	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>111,579</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (57,470)</u>	<u>22,857</u>	<u>58,389</u>
FUND BALANCE - Beginning (Budgetary Basis)		1,125,431	1,123,200
FUND BALANCE - Ending (Budgetary Basis)		1,148,288	1,181,589
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		17,829 ✓	(56,130)
To adjust for expenditure accruals		(444) ✓	(28)
FUND BALANCE - Ending (GAAP Basis)		<u>\$ 1,165,673</u>	<u>\$ 1,125,431</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 1 of 1

WORKING CASH FUND

YEAR ENDED JUNE 30, 2010

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 308,600	\$ 320,710	\$ 314,748
Investment earnings	52,000	23,003	51,700
	360,600	343,713	366,448
TOTAL REVENUES RECEIVED			
NET CHANGE IN FUND BALANCE	\$ 360,600	343,713	366,448
FUND BALANCE - Beginning (Budgetary Basis)		1,864,432	1,507,829
FUND BALANCE - Ending (Budgetary Basis)		2,208,145	1,874,277
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		3,550	(9,845)
FUND BALANCE - Ending (GAAP Basis)		\$ 2,211,695	\$ 1,864,432

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 1 of 1

SITE AND CONSTRUCTION FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Investment earnings	\$ 30,000	\$ 11,080	\$ -
TOTAL REVENUES RECEIVED	30,000	11,080	-
EXPENDITURES DISBURSED			
Current operating			
Support services			
Facilities acquisition and construction services	-	-	-
Capital outlay			
Facilities acquisition and construction services	3,030,444	2,741,791	-
TOTAL EXPENDITURES DISBURSED	3,030,444	2,741,791	-
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	(3,000,444)	(2,730,711)	-
OTHER FINANCING SOURCES (USES)			
Principal on bonds sold	3,000,000	3,000,000	-
Premium on bonds sold	57,999	57,999	-
Bond issuance costs	(57,555)	(57,555)	-
TOTAL OTHER FINANCING SOURCES (USES)	3,000,444	3,000,444	-
NET CHANGE IN FUND BALANCE	\$ -	269,733	-
FUND BALANCE - Beginning (Budgetary Basis)		-	-
FUND BALANCE - Ending (Budgetary Basis)		269,733	-
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		618	-
To adjust for expenditure accruals		(4,000)	-
FUND BALANCE - Ending (GAAP Basis)		\$ 266,351	\$ -

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

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TORT IMMUNITY FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010	2009	
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ 339,000	\$ 337,302	\$ 364,415
Investment earnings	600	149	537
TOTAL REVENUES RECEIVED	339,600	337,451	364,952
 EXPENDITURES DISBURSED			
Current			
Tort immunity	352,363	389,316	392,109
Total tort immunity	352,363	389,316	392,109
TOTAL EXPENDITURES DISBURSED	352,363	389,316	392,109
NET CHANGE IN FUND BALANCE	\$ (12,763)	(51,865)	(27,157)
FUND BALANCE - Beginning (Budgetary Basis)		75,105	-
REALLOCATE FROM EDUCATION FUND (SEE NOTE 5A)		-	109,955
FUND BALANCE - Ending (Budgetary Basis)		23,240	82,798
 ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		1,310	171
To adjust for expenditure accruals		9,103	(7,864)
FUND BALANCE - Ending (GAAP Basis)		\$ 33,653	\$ 75,105

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

Page 1 of 1

FIRE PREVENTION & SAFETY FUND

YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2009)

	2010		2009
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	\$ -	\$ -	\$ -
Investment earnings	-	-	5,448
TOTAL REVENUES RECEIVED	-	-	5,448
 EXPENDITURES DISBURSED			
Current			
Support services			
Facilities acquisition and construction services			
Purchased services	-	-	-
Total operations & maintenance services	-	-	-
Capital outlay			
Facilities acquisition and construction services	-	-	509,667
Total capital outlay	-	-	509,667
TOTAL EXPENDITURES DISBURSED	-	-	509,667
NET CHANGE IN FUND BALANCE	\$ -	-	(504,219)
FUND BALANCE - Beginning (Budgetary Basis)		-	506,469
FUND BALANCE - Ending (Budgetary Basis)		-	2,250
 ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		-	(2,250)
To adjust for expenditure accruals		-	-
FUND BALANCE - Ending (GAAP Basis)	\$ -	-	\$ -

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ACTIVITY FUNDS
 YEAR ENDED JUNE 30, 2010

Page 1 of 3

ASSETS	Balance			Balance
	June 30, 2009	Receipts	Disbursements	June 30, 2010
Cash at district	\$ 248,040	\$ 288,282	\$ 295,215	\$ 241,107
LIABILITIES				
Amounts due to organizations:				
NORTH				
Activity Account	\$ 3,292	\$ 4,497	\$ 5,110	\$ 2,679
Adm. Center Pop Fund	851	-	-	851
Academic Decathlon	34	200	-	234
Adventure Club	743	-	-	743
Art Club	44	-	-	44
Athletics	1	-	-	1
Attendance Improvement	397	-	-	397
Badminton Club	25	30	-	55
Basketball Camp - Girls	952	480	-	1,432
Basketball Camp - Boys	39	-	240	(201)
Band Camp	1,081	1,835	1,367	1,549
Beautification - T.F.N.	322	-	-	322
Big Brother/Big Sister	215	-	-	215
Baseball Camp	165	-	-	165
Building Const. V.I.C.A.	(131)	-	-	(131)
Best Buddies	198	2,626	2,704	120
Business Professionals	192	896	1,041	47
Bowling Camp	540	90	150	480
Cap and Gown	586	-	-	586
Cheerleaders	1,392	-	-	1,392
Cheer Camp	130	-	-	130
Chess Club	211	396	260	347
Chroscope	18,534	10,152	15,834	12,852
Class of 2008	9,611	-	3,992	5,619
Class of 2009	(367)	367	-	-
Class of 2010	1,278	1,291	1,457	1,112
Class of 2011	749	23,802	20,397	4,154
Class of 2012	194	1,563	-	1,757
Class of 2013	250	1,055	444	861
Concessions	1	-	-	1
Craft Club	(3)	80	40	37
Cultural Diversity Club	120	-	-	120
Distributive Education	250	-	-	250
Diversified Occupations	462	-	-	462
Drama	1,156	391	853	694
Environmental Club	243	2,122	1,562	803
Flower Fund	30	529	379	180
Faculty Workroom	1,532	787	644	1,675
Football Camp	4,472	2,145	5,127	1,490
International Club	212	152	113	251
Great Ideas Fund	1,621	-	1,621	-
History Club	330	1,658	2,130	(142)
Honors Trip	255	-	-	255
Interrelated Coop Education	308	-	-	308
Interest Account	\$ 9,844	\$ 69	\$ 56	\$ 9,857

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2010

Page 2 of 3

	Balance			Balance
	June 30, 2009	Receipts	Disbursements	June 30, 2010
Jobs for Illinois Graduates	\$ 649	\$ -	\$ -	\$ 649
Mathletes	644	-	173	471
Memorial Fund - Jurek	390	-	-	390
Meteor Broadcasting	389	1,000	-	1,389
Monogram Club	5,338	2,889	3,609	4,618
Music	342	-	-	342
National Honor Society	1,142	2,913	2,998	1,057
North Football Lights	1,181	-	-	1,181
Needy Student Fund	1,689	-	285	1,404
Pep Club	40	-	-	40
Peer Mediators	281	-	85	196
Philanthropy Club	432	949	718	663
Physical Education Rental	2,649	21,733	15,269	9,113
Poetry Slam	396	-	-	396
Pom Poms - Meteorites	424	228	-	652
Pop Machine	3,669	7,890	9,875	1,684
Powerlifting	34	144	-	178
Principal's Leadership	5,847	3,061	3,997	4,911
PSE Student Incentive	525	3,000	496	3,029
Science & Tech - Auto Mech	982	-	-	982
Science & Tech - Pop	637	9,815	11,495	(1,043)
SICA Convention	1,345	-	840	505
Soccer Camp	3,035	1,420	-	4,455
Softball Camp	145	-	-	145
Special Education	89	-	-	89
Speech Club	42	-	201	(159)
Stat Girls	115	-	-	115
Student Council	3,243	8,251	8,009	3,485
Students Against Drunk Driving	745	205	551	399
Tennis Camp	525	-	-	525
TF Center Auto Technology	105	1,640	1,167	578
Thorntonian - Newspaper	3,154	9,922	4,545	8,531
Volleyball Camp	865	100	-	965
NORTH TOTAL	\$ 103,449	\$ 132,373	\$ 129,834	\$ 105,988
SOUTH				
American Field Services	\$ 4,730	\$ -	\$ 4,730	\$ -
Activity Executive Board	30	552	50	532
Athletic Invitational Fund	8,788	2,272	3,024	8,036
Band	5,625	2,599	8,470	(246)
Band Camp	4,625	8,475	9,060	4,040
Baseball Camp	1,095	525	355	1,265
Basketball Camp	2,000	975	467	2,508
Best Buddies	540	450	300	690
Boys Bowling	9	-	-	9
Class Concession Stand	926	2,823	3,154	595
Cap and Gown	68	-	30	38
Cheerleaders	30	-	-	30
Choral B	222	-	182	40
Chess	\$ -	\$ -	\$ 20	\$ (20)

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS

YEAR ENDED JUNE 30, 2010

Page 3 of 3

	Balance			Balance
	June 30, 2009	Receipts	Disbursements	June 30, 2010
Class of 2008	\$ 992	\$ 8	\$ 1,000	\$ -
Class of 2009	3,508	-	8	3,500
Class of 2010	2,729	1,182	1,368	2,543
Class of 2011	1,495	22,835	22,758	1,572
Class of 2012	1,030	1,890	919	2,001
Class of 2013	-	1,350	84	1,266
Cultural Diversity Club	1,001	5,002	1,217	4,786
Cooperative Work Training	452	-	-	452
Drama	3,064	6,492	7,836	1,720
Drama Camp	450	100	130	420
Environmental Club	377	142	49	470
Football Camp	6,795	4,115	2,345	8,565
FOR-Friends of Rachel	-	2,316	1,043	1,273
Foreign Language	298	141	96	343
Girls Basketball Camp	1,590	350	500	1,440
GSA	562	604	522	644
History Club	-	125	121	4
Interest Account	17,694	1,415	5,031	14,078
Literary Magazine	432	701	1,142	(9)
Learning Resource Center	-	210	-	210
J Misiaves Memorial Drive	1,622	-	-	1,622
Joan Baldwin Memorial	598	-	-	598
Jobs for IL Grads	236	-	-	236
Math Fund	65	-	-	65
National Honor Society	(224)	4,134	2,976	934
Needy Student Fund	517	-	283	234
PE Rental Account	5,148	3,350	6,331	2,167
Pep Club	3,201	135	1,737	1,599
TV - Productions Club	243	161	-	404
Pom Pom	1,685	1,885	1,636	1,934
Postscript	(4,089)	25,990	21,378	523
Rebel Recognition	6,118	3,548	4,500	5,166
Rebel Rouser	12,480	15,067	11,149	16,398
Responsibility Comm	-	-	-	-
Rebel Spirit Committee	635	297	932	-
Students Against Drunk Driving	517	393	304	606
School Store	1,594	-	1,075	519
Scholastic Bowl	-	832	693	139
Special Programs	1,150	698	1,706	142
Social Studies Activities	661	-	-	661
Speech Club	95	78	-	173
Student Body Activity Fund	838	1,003	1,500	341
Student Leadership	1,497	425	1,912	10
Student Senate	9,760	13,620	13,048	10,332
Tri - S Club	7,616	-	1,000	6,616
T.F.S. Activity Office	7,342	10,095	11,818	5,619
T.F.S. Ambassadors	73	-	-	73
T.F.S. Principal's Award	-	-	-	-
Teachers Lounge Coke Machine	8,808	3,650	4,000	8,458
T.F.S. Teen Staff	344	219	480	83
Volleyball Camp	2,125	1,450	71	3,504
Vocational Coop Club	104	-	-	104
Weight Room Improvements	1,710	480	411	1,779
Wrestling Camp	965	750	430	1,285
SOUTH TOTAL	<u>144,591</u>	<u>155,909</u>	<u>165,381</u>	<u>135,119</u>
TOTAL LIABILITIES	<u>\$ 248,040</u>	<u>\$ 288,282</u>	<u>\$ 295,215</u>	<u>\$ 241,107</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF ASSESSED VALUATIONS, TAX LEVIES AND COLLECTIONS
JUNE 30, 2010

	2009 Levy	2008 Levy	2007 Levy
Equalized assessed valuation	\$ 1,047,082,639	\$ 995,309,404	\$ 913,353,996
Tax rates (per \$100 of assessed valuation)			
Educational	2.1024	2.0610	2.1727
Tort immunity	0.0342	0.0360	0.0438
Special education	0.0162	0.0170	0.0170
Operations and maintenance	0.2597	0.2730	0.2736
Bond and interest	0.2601	0.2739	0.2985
Transportation	0.0783	0.0721	0.0629
Municipal retirement	0.0245	0.0258	0.0301
Social security	0.0735	0.0773	0.0711
Working cash	0.0324	0.0341	0.0356
	2.8813	2.8702	3.0053
Extended tax levy			
Educational	\$ 22,021,900	\$ 20,520,780	\$ 19,844,442
Tort immunity	358,102	358,311	400,049
Special education	169,627	169,202	155,270
Operations and maintenance	2,719,273	2,717,194	2,498,936
Bond and interest	2,722,761	2,726,665	2,726,271
Transportation	819,865	717,618	574,499
Municipal retirement	256,535	256,789	274,919
Social security	769,605	769,374	649,394
Working Cash	339,254	339,400	325,154
	\$ 30,176,922	\$ 28,575,333	\$ 27,448,934
Taxes collected year ended:			
June 30, 2010	\$ 13,726,550	\$ 14,613,763	\$ (606,060)
June 30, 2009	-	12,024,590	14,240,246
June 30, 2008	-	-	11,646,776
Total collected	\$ 13,726,550	\$ 26,638,353	\$ 25,280,962
Percent collected	45.49%	93.22%	92.10%

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF DEBT SERVICE REQUIREMENTS
 JUNE 30, 2010

Year Ended June 30,	Series 2002 Dated 12/15/02		Series 2003 Dated 2/1/03		Series 2005 Dated 7/14/05		Series 2006 Dated 12/1/06		Series 2009A Dated 6/23/09		Series 2009B Dated 6/23/09		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 430,000	\$ 321,395	\$ 385,000	\$ 276,363	\$ 235,000	\$ 214,413	\$ 610,000	\$ 84,788	\$ 55,000	\$ 52,400	\$ -	\$ 109,438	\$ 2,773,797
2012	450,000	301,595	400,000	257,700	245,000	204,054	640,000	58,225	105,000	50,262	-	109,438	2,821,274
2013	470,000	280,895	420,000	237,200	255,000	192,804	665,000	30,494	110,000	47,575	-	109,438	2,818,406
2014	490,000	259,295	445,000	218,245	270,000	180,991	385,000	8,181	110,000	44,440	-	109,438	2,520,590
2015	510,000	236,795	460,000	200,820	280,000	168,616	-	-	115,000	40,840	-	109,438	2,121,509
2016	535,000	213,282	480,000	182,250	295,000	156,416	-	-	120,000	36,000	-	109,438	2,127,386
2017	560,000	188,645	495,000	162,503	305,000	144,416	-	-	125,000	29,875	-	109,437	2,119,876
2018	585,000	163,468	520,000	141,435	320,000	131,916	-	-	130,000	23,300	-	109,437	2,124,756
2019	610,000	137,470	540,000	118,905	330,000	118,916	-	-	135,000	16,875	-	109,437	2,116,603
2020	635,000	109,762	565,000	94,863	345,000	105,416	-	-	145,000	9,875	-	109,437	2,119,355
2021	665,000	80,512	590,000	69,455	355,000	91,416	-	-	125,000	3,125	30,000	108,519	2,118,027
2022	695,000	49,565	615,000	42,637	370,000	76,731	-	-	-	-	160,000	102,700	2,111,633
2023	730,000	16,790	640,000	14,400	385,000	61,206	-	-	-	-	165,000	92,747	2,105,143
2024	-	-	-	-	400,000	45,015	-	-	-	-	175,000	82,334	702,349
2025	-	-	-	-	420,000	27,735	-	-	-	-	180,000	71,237	698,972
2026	-	-	-	-	435,000	9,353	-	-	-	-	185,000	59,603	688,956
2027	-	-	-	-	-	-	-	-	-	-	195,000	47,491	242,491
2028	-	-	-	-	-	-	-	-	-	-	205,000	34,612	239,612
2029	-	-	-	-	-	-	-	-	-	-	210,000	21,125	231,125
2030	-	-	-	-	-	-	-	-	-	-	220,000	7,150	227,150
	<u>\$ 7,365,000</u>	<u>\$ 2,359,469</u>	<u>\$ 6,555,000</u>	<u>\$ 2,016,778</u>	<u>\$ 5,245,000</u>	<u>\$ 1,929,414</u>	<u>\$ 2,300,000</u>	<u>\$ 181,688</u>	<u>\$ 1,275,000</u>	<u>\$ 354,767</u>	<u>\$ 1,725,000</u>	<u>\$ 1,721,894</u>	<u>\$ 33,029,010</u>

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THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF LEGAL DEBT MARGIN
JUNE 30, 2010

Equalized Assessed Valuation - 2009 Tax Levy Year	<u>\$ 1,047,082,639</u>
	<u>Amount</u>
Legal debt limitation (6.9% of equalized assessed valuation)	\$ 72,248,702
General Obligation Debt Outstanding at June 30, 2010	<u>24,716,944</u>
Legal debt margin	<u>\$ 47,531,758</u>

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2010-1 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

Statement on Auditing Standard (SAS) No. 112, Communicating Internal Control Related Matters Identified in an audit is concerned specifically with financial statement misstatements. The standard indicates that depending on the financial statements prepared for the District, including footnote disclosures, and knowledgeable employees, the inability of the District to prepare financial statements and footnote disclosures in accordance with the basis of accounting used by the District would be a material weakness.

4. Condition

The District does not currently require personnel to have the industry-specific training, knowledge or level of skill needed to prepare its financial statements.

5. Context¹²

None

6. Effect

It was necessary for the auditors to propose a number of adjusting journal entries that were approved in advance by management and to prepare the District's financial statements, including the appropriate disclosures.

7. Cause

None

8. Recommendation

Management should consider the current capabilities of employees and the amount of additional expense the District would incur as a result of training or hiring individuals with the necessary skills and knowledge to produce financial statements including footnote disclosures.

9. Management's response¹³

Management believes it is in the best interest of the District to continue to retain the auditing firm to assist in the preparation of its financial statements including footnote disclosures in conjunction with the year end audit.

For ISBE Review

Date: _____

Resolution Criteria Code Number: _____

Initials: _____

Disposition of Questioned Costs Code Letter: _____

¹¹ A suggested format for assigning reference numbers is to use the last two digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2003 would be assigned a reference number of 02-01, 02-02, etc.

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2010-2 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported?

3. Federal Program Name and Year: PERKINS GRANT- VE- TITLE IIC- SECONDARY

4. Project No.: 2010-4745-00 5. CFDA No.: 84.048A

6. Passed Through: PASSED THROUGH CAREER DEVELOPMENT SYSTEMS- REGIONAL AREA COOP (CDS)

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
 The compliance requirement for "L. reporting" generally requires that LEA's report financial information to the pass-through entity and that these reports are accurate and supported by the underlying accounting records.

9. Condition¹⁵
 Expenditures reported to CDS for capital expenditures from 1000-500 were overstated by \$117 due to an error by the District. Shipping costs reported that were not actually billed were reported and reimbursed.

10. Questioned Costs¹⁶
 \$117 is questioned costs computed from Item 9 above.

11. Context¹⁷
 The amount of Questioned Costs is deemed immaterial.

12. Effect
 \$117 of the grant was not expended and CDS did not have the information to make that determination.

13. Cause
 Policies and Procedures in place provide reasonable assurance that reports of federal awards submitted to CDS are supported by underlying accounting records and fairly presented in accordance with program requirements were not followed when the Expenditure Report was prepared and filed.

14. Recommendation
 Management should review its policies and procedures and implement changes to strengthen internal control over federal reporting. Thorough review of the reports and comparison to underlying accounting records should be performed prior to submission.

15. Management's response¹⁸
 We agree with the findings and recommendations as presented.

For ISBE Review	
Date: _____	Resolution Criteria Code Number: _____
Initials: _____	Disposition of Questioned Costs Code Letter: _____

¹⁴ See footnote 11.
¹⁵ Include facts that support the deficiency identified on the audit finding.
¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.
¹⁷ See footnote 12.
¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2010

DISTRICT/JOINT AGREEMENT NAME THORNTON FRACTIONAL TOWNSHIP	RCDT NUMBER 07-016-2150-17	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-003685	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) DR. CREG WILLIAMS	NAME AND ADDRESS OF AUDIT FIRM JOHN KASPEREK CO., INC. 1471 RING ROAD CALUMET CITY		
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 1601 WENTWORTH AVENUE CALUMET CITY 60409		E-MAIL ADDRESS jkasperek@kasperekcpa.com	NAME OF AUDIT SUPERVISOR JOHN KASPEREK, JR., CPA
		CPA FIRM TELEPHONE NUMBER (708) 862-2262	FAX NUMBER (708) 891-3396

THE FOLLOWING INFORMATION **MUST** BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- Copy of Federal Data Collection Form § .320 (b)

THORN FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17

A-133 SINGLE AUDIT INFORMATION CHECKLIST

The following checklist is OPTIONAL; it is not a required form for completion of A-133 Single Audit information. The purpose of the checklist is to assist in determining if appropriate information has been correctly completed within the Annual Financial Report (AFR). This is not a complete listing of all A-133 requirements, but highlights some of the more common errors found during ISBE reviews.

GENERAL INFORMATION

1. Signed copies of audit opinion letters have been included with audit package submitted to ISBE.
2. All opinion letters use the most current audit language as mandated in SAS 112 and other pronouncements.
3. ALL Single Audit forms within the AFR Excel workbook have been completed, where appropriate.
- For those forms that are not applicable, "N/A" or similar language has been indicated.
4. ALL Federal revenues reported in FRIS Report 0053 (Summary of Payments) are accounted for in the Schedule of Expenditures of Federal Awards (SEFA).
Programs funded through ARRA are identified separately in SEFA.
5. Federal revenues reported on the AFR reconcile to Federal revenues reported on the SEFA.
- Verify or reconcile on reconciliation worksheet.
6. The value of COMMODITIES has been included within the AFR on the INDIRECT COSTS page (IND COST INFO 30) on Line 12.
It should not be included in the Statement of Revenues Received (REVENUES 9-14) within the AFR Accounts 4210 - 4299.
Those accounts are specific cash programs, not non-cash assistance such as COMMODITIES.
7. Complete audit package (Data Collection Form, audit reports, etc.) has been submitted to the Federal Audit Clearinghouse in Jeffersonville, Indiana.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

8. Programs funded through ARRA (Federal Stimulus funds) are identified separately from "regular" Federal programs.
- Program name includes "ARRA - " prefix
- Correct ARRA CFDA and ISBE program numbers are listed
9. All prior year's projects are included and reconciled to final FRIS report amounts.
- Including revenue and expenditure/disbursement amounts.
10. All current year's projects are included and reconciled to most recent FRIS report filed.
- Including revenue and expenditure/disbursement amounts.
11. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, with discrepancies reported as Questioned Costs.
12. Child Nutrition Programs (CNP) are included on the SEFA:
Project year runs from October 1 to September 30, so projects will cross fiscal year;
This means that audited year revenues will include funds from both the prior year and current year projects.
13. Each CNP project should be reported on separate line (one line per project year per program).
14. Total CNP Revenue amounts are consistent with grant amounts awarded by ISBE for each program by project year.
15. Total CNP Expenditure amounts are consistent with grant amounts awarded by ISBE for each program by project year.
16. Exceptions should result in a finding with Questioned Costs.
17. The total value of COMMODITIES has been reported on the SEFA (CFDA 10.550).
- The value is determined from the following, with each item on a separate line:
* Non-Cash Commodities: Monthly Commodities Bulletin for April (From the Illinois Commodities System accessed through ISBE web site)
Total commodities = A PAL Allocated + B PAL Allocated + Processing Deductions + Total Bonus Allocated
* Non-Cash Commodities: Commodities information for non-cash items received through Preferred Meal Systems
Districts should track separately through year; no specific report available from ISBE
* Department of Defense Fresh Fruits and Vegetables (District should track through year)
- The two commodity programs should be reported on separate lines on the SEFA.
* Amounts verified for Fresh Fruits and Vegetables cash grant program (ISBE code 4240)
CFDA number: 10.582
18. TOTALS have been calculated for Federal revenue and expenditure amounts.
19. Obligations and Encumbrances are included where appropriate.
20. FINAL STATUS amounts are calculated, where appropriate.
21. Medicaid Fee-for-Service funds and E-Rate reimbursements have not been included on the SEFA.
22. All programs tested (not just Type A programs) are indicated by either an * or (M) on the SEFA.
23. NOTES TO THE SEFA within the AFR Excel workbook (SEFA-2) have been completed.
Including, but not limited to:
24. Basis of Accounting
25. Name of Entity
26. Type of Financial Statements
27. Subrecipient information (Mark "N/A" if not applicable)
* ARRA funds are listed separately from "regular" Federal awards

SUMMARY OF AUDITOR RESULTS/FINDINGS/CORRECTIVE ACTION PLAN

28. Audit opinions expressed in opinion letters match opinions reported in Summary.
29. All Summary of Auditor Results questions have been answered.
30. All tested programs are listed.
31. Correct testing threshold has been entered. (OMB A-133, § 520)

Findings have been filled out completely and correctly (if none, mark "N/A"):

32. Financial Statement and/or Federal Awards Findings information has been completely filled out for each finding.
33. Finding completed for each Significant Deficiency and for each Material Weakness noted in opinion letters.
34. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
35. Separate finding sheet for each finding on programs (e.g., excess interest earned and unallowable expenditures are two findings and should be reported separately, even if both are on same program).
36. Questioned Costs have been calculated where there are questioned costs.
37. Questioned Costs are separated by fiscal year and by project.
38. Questioned Costs have been calculated for Interest Earned on Excess Cash on Hand.
- Should be based on actual amount of interest earned
39. A CORRECTIVE ACTION PLAN has been completed for each finding.
- Including Finding number, action plan details, projected date of completion, name and title of contact person

John Kasperek Co., Inc.

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

Board of Education
Thornton Fractional Township High School District No. 215
Calumet City, Illinois

Compliance

We have audited Thornton Fractional Township High School District No. 215's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Thornton Fractional Township High School District No. 215's major federal programs for the year ended June 30, 2010. Thornton Fractional Township High School District No. 215's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Thornton Fractional Township High School District No. 215's management. Our responsibility is to express an opinion on Thornton Fractional Township High School District No. 215's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Thornton Fractional Township High School District No. 215's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Thornton Fractional Township High School District No. 215's compliance with those requirements.

In our opinion, Thornton Fractional Township High School District No. 215 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2010-2.

Internal Control Over Compliance

Management of Thornton Fractional Township High School District No. 215 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Thornton Fractional Township High School District No. 215's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Thornton Fractional Township High School District No. 215's internal control over compliance.



Board of Education
Thornton Fractional Township High School District No. 215

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2010-1 to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215 as of and for the year ended June 30, 2010, and have issued our report thereon dated December 1, 2010. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Thornton Fractional Township High School District No. 215 financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Thornton Fractional Township High School District No. 215 response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Thornton Fractional Township High School District No. 215's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the School Board, others within the entity, the Illinois State Board of Education, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

John Kasperuk Co. Inc

Calumet City, IL
December 1, 2010

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17

RECONCILIATION OF FEDERAL REVENUES

Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$ 5,701,151
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		60,213
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 268	Account 4992	(170,492)
AFR TOTAL FEDERAL REVENUES:		\$ 5,590,872

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

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-----	-----
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ADJUSTED AFR FEDERAL REVENUES \$ 5,590,872

Total Current Year Federal Revenues Reported on SEFA:
Federal Revenues Column D \$ 5,562,549

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

Peoria School District 7% fee for processing Medicaid \$ (6,043)
Admin Outreach (86,310 x .07 =6,043)***

***Deducted from gross, School District receives net.

Build America Bond Interest Reimbursement \$ 34,366

ADJUSTED SEFA FEDERAL REVENUE: \$ 5,590,872

DIFFERENCE: \$ -

07-016-2150-17
THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ending June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/08-6/30/09 (C)	Year 7/1/09-6/30/10 (D)	Year 7/1/08-6/30/09 (E)	Year 7/1/09-6/30/10 (F)			
PASSED THROUGH ILLINOIS STATE BOARD OF EDUCATION (ISBE):									
FROM US DEPT. OF AGRICULTURE:									
NATIONAL SCHOOL LUNCH PROGRAM	10.555	2009-4210-00	461,336	132,372	472,444	130,376	-	602,820	N/A
NATIONAL SCHOOL LUNCH PROGRAM	10.555	2010-4210-00	-	573,780	-	584,509	-	584,509	N/A
NATIONAL SCHOOL LUNCH PROGRAM COMMODITIES	10.555	001607700A2010	-	47,954	-	47,954	-	47,954	N/A
DEPT. OF DEFENSE FRESH FRUITS AND VEGETABLES	10.582	001607700A2010	-	12,259	-	12,259	-	12,259	N/A
TOTAL CHILD NUTRITION CLUSTER (M)			461,336	766,365	472,444	775,098	-	1,247,542	
FROM US DEPT. OF EDUCATION:									
TITLE V - INNOVATIVE PROGRAMS- FORMULA	84.298	2009-4100-00	82	362	2,362	-	-	2,362	2,362
TITLE IV - SAFE AND DRUG- FREE SCHOOLS- FORMULA	84.186	2009-4400-00	2,838	7,028	12,621	999	-	13,620	17,028
TITLE IV - SAFE AND DRUG- FREE SCHOOLS- FORMULA	84.186	2010-4400-00	-	5,592	-	5,791	5,640	11,431	15,214
TITLE II - TEACHER QUALITY	84.367	2009-4932-00	87,631	17,210	115,548	8,551	-	124,099	146,386
TITLE II - TEACHER QUALITY	84.367	2010-4932-00	-	88,619	-	95,396	-	95,396	130,747
TECHNOLOGY - ENHANCING EDUCATION- FORMULA	84.318	2009-4971-00	7,651	319	7,970	-	-	7,970	7,970
TITLE I - LOW INCOME (M)	84.010A	2009-4300-00	270,853	230,063	413,208	73,683	-	486,891	574,252
TITLE I - LOW INCOME (M)	84.010A	2010-4300-00	-	432,514	-	625,642	29,827	655,469	733,674
ARRA-TITLE I - LOW INCOME (M)	84.389	2010-4851-00	-	215,000	-	283,213	6,358	289,571	289,571
ARRA - GENERAL STATE AID SEC. 18-8 (M)	84.394	2010-4850-00	-	1,647,000	-	1,646,700	-	1,646,700	N/A
ARRA - GENERAL STATE AID SEC. 18-8 (M)	84.394	2010-4870-00	-	548,037	-	548,037	-	548,037	N/A
TOTAL FROM US DEPT. OF EDUCATION			369,055	3,171,744	551,709	3,288,012	41,825	3,881,546	
PASSED THROUGH ISBE EXCEPTIONAL CHILDREN HAVE OPPORTUNITIES (ECHO):									
FROM US DEPT. OF EDUCATION:									
IDEA ROOM AND BOARD EXCESS COST	84.027A	2009-4625-XC	-	2,257	2,257	-	-	2,257	N/A
IDEA ROOM AND BOARD	84.027A	2009-4625-00	41,174	50,478	76,114	15,538	-	91,652	N/A
IDEA ROOM AND BOARD	84.027A	2010-4625-00	-	-	-	67,911	-	67,911	N/A

IDEA FLOW THROUGH	84.027	2010-4620-00	-	519,394	-	519,394	-	519,394	579,982
ARRA- IDEA FLOW THROUGH	84.391	2010-4857-00	-	775,489	-	778,921	-	778,921	778,921
TOTAL SPECIAL ED CLUSTER (M)			41,174	1,347,628	78,371	1,381,764	-	1,460,135	
PASSED THROUGH CAREER DEVELOPMENT SYSTEMS- REGIONAL AREA COOP (CDS)									
<u>FROM US DEPT OF EDUCATION:</u>									
PERKINS GRANT- VE- TITLE IIC- SECONDARY	84.048A	2010-4745-00	-	113,846	-	113,846	-	113,846	113,846
PERKINS GRANT- VE- TITLE IIIIE- TECH PREP	84.243	2009-4770-00	1,815	4,185	6,000	-	-	6,000	6,000
PERKINS GRANT- VE- TITLE IIIIE- TECH PREP	84.243	2010-4770-00	-	6,000	-	6,000	-	6,000	6,000
TOTAL PASSED THROUGH CDS			1,815	124,031	6,000	119,846	-	125,846	
PASSED THROUGH IDPA & PEORIA SCHOOL DISTRICT:									
<u>FROM US DEPT. OF HEALTH AND HUMAN SERVICES:</u>									
MEDICAID ADMINISTRATIVE OUTREACH PROGRAM	93.778	2009-4991-00	88,264	59,932	148,196	-	-	148,196	N/A
MEDICAID ADMINISTRATIVE OUTREACH PROGRAM	93.778	2010-4991-00	-	56,315	-	103,716	-	103,716	N/A
TOTAL MEDICAID ADMINISTRATIVE OUTREACH PROGRAM			88,264	116,247	148,196	103,716	-	251,912	
PASSED THROUGH SOUTH COOK INTERMEDIATE SERVICE CENTER									
<u>FROM US DEPT. OF EDUCATION:</u>									
TITLE I -SCHOOL IMPROVEMENT (M)	84.010	2010-4331-00	-	33,100	-	33,100	-	33,100	33,100
PASSED THROUGH WILL COUNTY REGIONAL OFFICE OF EDUCATION									
<u>FROM US DEPT. OF EDUCATION:</u>									
MCKINNEY-VENTO HOMELESS EDUCATION TITLE VII	84.387	2010-4862-00	-	3,434	-	-	-	-	3,434
TOTAL FEDERAL AWARDS			961,644	5,562,549	1,256,720	5,701,536	41,825	7,000,081	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- ¹ To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- ⁴ When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- ² When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- ⁴ Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

07-016-2150-17
THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2010

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Thornton Fractional Township High School 215 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic financial statements.

Note 2: Subrecipients⁶

There are no amounts provided to subrecipients from each Federal Program listed on the accompanying schedule of expenditures of federal awards.

⁵ This note is included to meet the Circular A-133 requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

⁶

Circular A-133 requires the schedule of expenditures of federal awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipie

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2010-1 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

Statement on Auditing Standard (SAS) No. 112, Communicating Internal Control Related Matters Identified in an audit is concerned specifically with financial statement misstatements. The standard indicates that depending on the financial statements prepared for the District, including footnote disclosures, and knowledgeable employees, the inability of the District to prepare financial statements and footnote disclosures in accordance with the basis of accounting used by the District would be a material weakness.

4. Condition

The District does not currently require personnel to have the industry-specific training, knowledge or level of skill needed to prepare its financial statements.

5. Context¹²

None

6. Effect

It was necessary for the auditors to propose a number of adjusting journal entries that were approved in advance by management and to prepare the District's financial statements, including the appropriate disclosures.

7. Cause

None

8. Recommendation

Management should consider the current capabilities of employees and the amount of additional expense the District would incur as a result of training or hiring individuals with the necessary skills and knowledge to produce financial statements including footnote disclosures.

9. Management's response¹³

Management believes it is in the best interest of the District to continue to retain the auditing firm to assist in the preparation of its financial statements including footnote disclosures in conjunction with the year end audit.

For ISBE Review

Date: _____ Resolution Criteria Code Number _____
Initials: _____ Disposition of Questioned Costs Code Letter _____

¹¹ A suggested format for assigning reference numbers is to use the last two digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2003 would be assigned a reference number of 02-01, 02-02, etc.

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL #215
07-016-2150-17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2010

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ 2010-2 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: PERKINS GRANT- VE- TITLE IIC- SECONDARY

4. Project No.: 2010-4745-00 5. CFDA No.: 84.048A

6. Passed Through: PASSED THROUGH CAREER DEVELOPMENT SYSTEMS- REGIONAL AREA COOP (CDS)

7. Federal Agency: US DEPARTMENT OF EDUCATION

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
The compliance requirement for "L. reporting" generally requires that LEA's report financial information to the pass-through entity and that these reports are accurate and supported by the underlying accounting records.

9. Condition¹⁵
Expenditures reported to CDS for capital expenditures from 1000-500 were overstated by \$117 due to an error by the District. Shipping costs reported that were not actually billed were reported and reimbursed.

10. Questioned Costs¹⁶
\$117 is questioned costs computed from Item 9 above.

11. Context¹⁷
The amount of Questioned Costs is deemed immaterial.

12. Effect
\$117 of the grant was not expended and CDS did not have the information to make that determination.

13. Cause
Policies and Procedures in place provide reasonable assurance that reports of federal awards submitted to CDS are supported by underlying accounting records and fairly presented in accordance with program requirements were not followed when the Expenditure Report was prepared and filed.

14. Recommendation
Management should review its policies and procedures and implement changes to strengthen internal control over federal reporting. Thorough review of the reports and comparison to underlying accounting records should be performed prior to submission.

15. Management's response¹⁸
We agree with the findings and recommendations as presented.

For ISBE Review

Date: _____ Resolution Criteria Code Number _____
Initials: _____ Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2010

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u> ²⁰
2009-1	The School District is not properly complying with the requirements of verifying free and reduced price applications.	Corrective Action completed.
2009-2	Expenditures reported to ISBE for salary expenditures from 2210-300 were overstated by \$3,499 due to an error by the District. A check for \$3,499 was voided by District, but the void not considered in reporting expenditures.	Corrective Action completed.
2009-3	Expenditures reported to ISBE for salary expenditures from 3000-300 were overstated by \$300 due to an error by the District in claiming certain expenditures against both the 2008 and 2009 grants.	Corrective Action completed.

When possible, all prior findings should be on the same page

¹⁹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2010

Corrective Action Plan

Finding No.: 2010-1

Condition:
See Financial Statement Finding Number 2010-1.

Plan:
See Financial Statement Finding Number 2010-1.

Anticipated Date of Completion: N/A
Name of Contact Person: Dr. Greg Williams, Superintendent
Management Response: N/A

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD #215
07-016-2150-17
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2010

Corrective Action Plan

Finding No.: 2010-2

Condition:
See Federal Award Finding Number 2010-2.

Plan:
See Federal Award Finding Number 2010-2.

Anticipated Date of Completion: As soon as possible.
Name of Contact Person: Dr. Creg Williams, Superintendent
Management Response: See Federal Award Finding Number 2010-2.

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

**NOTIFICATION OF SALE OF
GENERAL OBLIGATION LIMITED SCHOOL BONDS, SERIES 2011**

To: Board of Education of Township High School District Number 215, Cook County, Illinois

Please be advised that responsive to authority contained in a resolution adopted by the Board of Education (the "*Board*") of Township High School District Number 215, Cook County, Illinois (the "*District*"), on the 26th day of April, 2011, and being entitled:

RESOLUTION providing for the issue of not to exceed \$9,500,000 General Obligation Limited School Bonds, Series 2011, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

(the "*Bond Resolution*"), a contract for the purchase of \$6,975,000 General Obligation Limited School Bonds, Series 2011 (the "*Bonds*"), of the District was awarded by the undersigned President of the Board and the Superintendent of the District, as the "Designated Representatives" of the District under the Bond Resolution, to the purchaser thereof, namely, BMO Capital Markets GKST, Inc., Chicago, Illinois, at a price of \$7,005,508.60, the same being not less than 98% of the principal amount of the Bonds, plus accrued interest to date of delivery.

The bond registrar and paying agent for the Bonds shall be UMB Bank, N.A., St. Louis, Missouri.

The Bonds shall be issued in an aggregate principal amount of \$6,975,000, shall be dated May 17, 2011, and shall become due and payable serially (subject to prior redemption as hereinafter stated) on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$ 25,000	3.000%
2014	330,000	3.000%
2015	340,000	3.250%
2016	350,000	3.500%
2017	365,000	4.000%
2018	380,000	4.250%
2019	395,000	4.500%
2020	415,000	4.750%
2021	435,000	4.300%
2022	450,000	5.000%
2023	475,000	4.625%
2024	495,000	4.750%
2025	520,000	4.875%
2026	545,000	5.000%
2027	570,000	5.100%
2028	600,000	5.125%
2029	285,000	5.250%

The first interest payment date on the Bonds shall be December 1, 2011. Capitalized interest in the amount of \$452,717.24 is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund (as defined in the Bond Resolution).

The Bonds due on and after December 1, 2021, shall be subject to redemption prior to maturity at the option of the District as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar (as defined in the Bond Resolution)), on December 1, 2020, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Please be further advised that the undersigned do hereby find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed 9.00% per

annum, and that no person holding any office of the District, either by election or appointment, is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the contract for the purchase and sale of the Bonds.

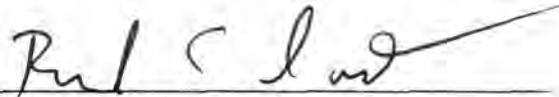
Please be further advised that Section 9 of the Bond Resolution provides for a direct annual tax in and for each of the years 2011 to 2029, inclusive, to pay the interest on the Bonds promptly when and as the same falls due and to pay and discharge the principal thereof at maturity. Please be further advised that the Bonds were sold on terms resulting in a final schedule of taxes levied, to be abated and to be extended as follows:

YEAR OF LEVY	TAX LEVIED IN BOND RESOLUTION	TAX TO BE ABATED	TAX TO BE EXTENDED SUFFICIENT TO PRODUCE
2011	\$ 33,966.92	\$ 0.00	\$ 33,966.92
2012	342,229.92	973.66	341,256.26
2013	743,591.92	98,085.66	645,506.26
2014	743,591.92	97,985.66	645,606.26
2015	743,591.92	99,035.66	644,556.26
2016	743,591.92	96,285.66	647,306.26
2017	743,591.92	95,885.66	647,706.26
2018	743,591.92	97,035.66	646,556.26
2019	743,591.92	94,810.66	648,781.26
2020	743,591.92	94,523.16	649,068.76
2021	743,591.92	98,228.16	645,363.76
2022	743,591.92	95,728.16	647,863.76
2023	743,591.92	97,696.92	645,895.00
2024	743,591.92	96,209.42	647,382.50
2025	743,591.92	96,559.42	647,032.50
2026	743,591.92	98,809.42	644,782.50
2027	743,591.92	97,879.42	645,712.50
2028	743,591.92	443,629.42	299,962.50
2029	743,591.92	743,591.92	0.00

It is hereby found and determined that all of the provisions of the Bond Resolution related to this Bond Notification have been fully and completely satisfied in all respects whatsoever.

Finally please be advised that this Bond Notification shall be entered into the records of the District and made available to all members of the Board at the next regular meeting thereof.

Respectfully submitted this 28th day of April, 2011.



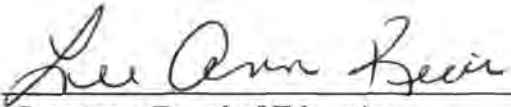
President, Board of Education



Superintendent

ACKNOWLEDGMENT OF FILING

Filed in the office of the Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois, this 28th day of April, 2011.



Secretary, Board of Education

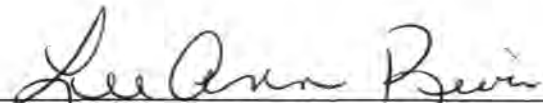
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

AVAILABILITY OF BOND NOTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education (the "*Board*") of Township High School District Number 215, Cook County, Illinois (the "*District*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the District and of the Board.

I do further certify that I will make available to all members of the Board at the next regular meeting of the Board a Notification of Sale of \$6,975,000 General Obligation Limited School Bonds, Series 2011, a true, correct and complete copy of which is attached hereto.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 28th day of April, 2011.



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

DIRECTION FOR ABATEMENT OF TAXES

To: The County Clerk of The County of Cook, Illinois

 Please be advised that on the 26th day of April, 2011, the Board of Education (the "Board") of Township High School District Number 215, Cook County, Illinois (the "District"), adopted a resolution (the "Bond Resolution") entitled:

 RESOLUTION providing for the issue of not to exceed \$9,500,000 General Obligation Limited School Bonds, Series 2011, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

pursuant to which, on the 28th day of April, 2011, the President of the Board and the Superintendent of the District, as the designated officers of the District, agreed on behalf of the District, to sell \$6,975,000 General Obligation Limited School Bonds, Series 2011 (the "Bonds"), to BMO Capital Markets GKST, Inc., Chicago, Illinois. The Bonds are dated May 17, 2011, and are due serially on December 1 of the years and in the amounts and bear interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$ 25,000	3.000%
2014	330,000	3.000%
2015	340,000	3.250%
2016	350,000	3.500%
2017	365,000	4.000%
2018	380,000	4.250%
2019	395,000	4.500%
2020	415,000	4.750%
2021	435,000	4.300%
2022	450,000	5.000%
2023	475,000	4.625%
2024	495,000	4.750%
2025	520,000	4.875%
2026	545,000	5.000%
2027	570,000	5.100%
2028	600,000	5.125%
2029	285,000	5.250%

You are further advised that the Bond Resolution provides for the levy and collection of a direct annual tax on all taxable property within the District for each of the years 2011 to 2029, inclusive, for the payment of the principal of and interest on the Bonds as the same become due, that the Bond Resolution is now in full force and effect, and that a copy thereof, certified to by the Secretary of the Board, is on file in your office.

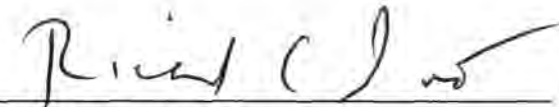
You are further advised that, in accordance with the provisions of the Bond Resolution, we, as the President and Secretary of the Board and the School Treasurer of the District, have been authorized to direct the abatement of the taxes levied in the Bond Resolution to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year and to file in your office as the County Clerk of The County of Cook, Illinois, notice of such abatement.

YOU ARE THEREFORE ORDERED AND DIRECTED to abate from the taxes levied in Section 9 of the Bond Resolution that amount representing the reduction to the District resulting from the

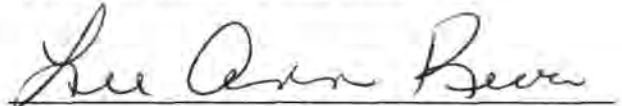
sale of the Bonds in the principal amount and bearing interest at the rates as hereinabove referred to, the amount of such abatement and the remainder of such taxes so levied which is to be extended for collection being as follows:

YEAR OF LEVY	TAX LEVIED IN BOND RESOLUTION	TAX TO BE ABATED	TAX TO BE EXTENDED SUFFICIENT TO PRODUCE
2011	\$ 33,966.92	\$ 0.00	\$ 33,966.92
2012	342,229.92	973.66	341,256.26
2013	743,591.92	98,085.66	645,506.26
2014	743,591.92	97,985.66	645,606.26
2015	743,591.92	99,035.66	644,556.26
2016	743,591.92	96,285.66	647,306.26
2017	743,591.92	95,885.66	647,706.26
2018	743,591.92	97,035.66	646,556.26
2019	743,591.92	94,810.66	648,781.26
2020	743,591.92	94,523.16	649,068.76
2021	743,591.92	98,228.16	645,363.76
2022	743,591.92	95,728.16	647,863.76
2023	743,591.92	97,696.92	645,895.00
2024	743,591.92	96,209.42	647,382.50
2025	743,591.92	96,559.42	647,032.50
2026	743,591.92	98,809.42	644,782.50
2027	743,591.92	97,879.42	645,712.50
2028	743,591.92	443,629.42	299,962.50
2029	743,591.92	743,591.92	0.00

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 28th day of April, 2011.



 President, Board of Education



 Secretary, Board of Education



 School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the "County"), and as such official I do further certify that on the 13th day of May, 2011, there was filed in my office a Direction for Abatement of Taxes from the President and Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "District"), and the School Treasurer of the District, related to the issue of \$6,975,000 General Obligation Limited School Bonds, Series 2011, of the District, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 13th day of May, 2011.



County Clerk of
The County of Cook, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

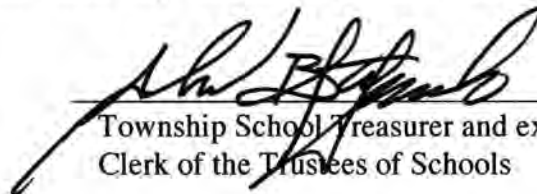
TREASURER'S SURETY BOND CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer of Township No. 36, Range No. 15, Cook County, Illinois, and as such official I do further certify that I am ex-officio Clerk of the Trustees of Schools of said Township and Range (the "Trustees") and am also the Township School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois (the "District"), all or the greater part of which District is located within said Township and Range.

I do further certify that I have executed a surety bond in accordance with all of the provisions of Section 19-6 of the School Code of the State of Illinois, as amended, said surety bond being payable to the Trustees and conditioned upon the faithful discharge of my duties with respect to the disbursement of the proceeds of the sale of the \$6,975,000 General Obligation Limited School Bonds, Series 2011, dated May 17, 2011, proposed to be issued by the District.

I do further certify that said surety bond in the amount of \$1,743,750 and with LIYODS OF LONIDA as surety thereon was duly submitted to the Trustees for approval or rejection at a legally convened meeting held on the 14 day of APRIL, 2011, and pursuant to motion duly made, seconded and adopted was approved by the Trustees.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 28th day of April, 2011.


Township School Treasurer and ex-officio
Clerk of the Trustees of Schools

I, the undersigned, do hereby certify that I am the duly qualified and acting Executive Director for the South Cook Intermediate Service Center, an educational service center established pursuant to Section 2-3.62 of the School Code of the State of Illinois, as amended, serving a portion of the Educational Service Region consisting of that portion of Cook County, Illinois, outside a city of 500,000 or more population, including the area within the territorial boundaries of Township High School District Number 215, Cook County, Illinois, and as such official I do further certify that as of the date hereof said surety bond has been filed in my office and has been approved by me and deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 18 day of MAY, 2011.


Executive Director



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

July 8, 2011

CHAPMAN AND CUTLER LLP
Attn: Shelly A. Scinto
111 West Monroe Street
Chicago, IL 60603-4080

Dear Ms. Scinto:

Receipt is acknowledged of the Facsimile Signature Certificates of the following "Authorized Officials" of the **Township High School District Number 215, Cook County, Illinois.**

Richard Dust, President, Board of Education
Sheryl Black, Secretary, Board of Education

The said Facsimile Signature Certificates have been placed on file in this office, dated July 8, 2011, under the Uniform Facsimile Signature of Public Officials Act, 30 ILCS 320/2.

Pursuant to your request, enclosed are file-stamped copies of the Facsimile Signature Certificates.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lissa Richno".

Lissa Richno
Public Records
Index Department

Enclosures

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

SIGNATURE CERTIFICATE

I, the undersigned, do hereby certify under oath that I am the duly qualified and acting President of the Board of Education of Township High School District Number 215, Cook County, Illinois, and as such official I do further certify under oath as follows:

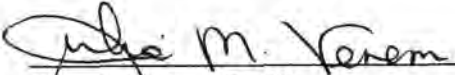
1. That I am an Authorized Official within the meaning of the provisions of Section 1(c) of the Uniform Facsimile Signature of Public Officials Act, as amended.
2. That my signature is required or permitted on a public security or instrument of payment as defined in said Act.
3. That I am filing my signature with the Secretary of State of the State of Illinois, certified under oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment requiring or permitting my signature as provided in said Act.

Therefore, I, Richard Dust (print name), do hereby certify under oath, that the following is my manual signature:



President, Board of Education

Subscribed and sworn to before me
this 3rd day of May, 2011.



Illinois Notary Public

My commission expires: 2-9-2013

(NOTARY SEAL)



FILED
INDEX DEPARTMENT
JUL 08 2011
IN THE OFFICE OF
SECRETARY OF STATE

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

SIGNATURE CERTIFICATE

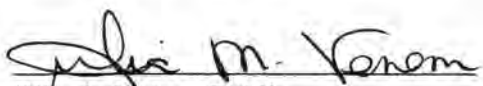
I, the undersigned, do hereby certify under oath that I am the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois, and as such official I do further certify under oath as follows:

1. That I am an Authorized Official within the meaning of the provisions of Section 1(c) of the Uniform Facsimile Signature of Public Officials Act, as amended.
2. That my signature is required or permitted on a public security or instrument of payment as defined in said Act.
3. That I am filing my signature with the Secretary of State of the State of Illinois, certified under oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment requiring or permitting my signature as provided in said Act.

Therefore, I, Sheryl Black (print name), do hereby certify under oath, that the following is my manual signature:


Secretary Board of Education

Subscribed and sworn to before me
this 3rd day of May, 2011.


Illinois Notary Public

My commission expires: 2-9-2013

(NOTARY SEAL)



FILED
INDEX DEPARTMENT
JUL 08 2011
IN THE OFFICE OF
SECRETARY OF STATE

REGISTERED
No.

REGISTERED
\$

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
GENERAL OBLIGATION LIMITED SCHOOL BOND, SERIES 2011

See Reverse Side for
Additional Provisions

Interest
Rate:

S

Maturity
Date: December 1,

Dated
Date: May 17, 2011

CUSIP 215651

Registered Owner: CEDE & Co.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS, that Township High School District Number 215, Cook County, Illinois (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing December 1, 2011, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of UMB Bank, N.A., St. Louis, Missouri, as bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the District maintained by the Bond Registrar, at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Law"). The Law provides that the annual amount of the taxes to be extended to pay the issue of bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District (the "Base"), as more fully described in the proceedings of the District providing for the issue of this Bond. Payments on the Bonds from the Base will be made on a parity with the payments on the outstanding limited bonds heretofore issued by the District. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, said Township High School District Number 215, Cook County, Illinois, by its Board of Education, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by the manual or duly authorized facsimile signature of the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

M President, Board of Education
M Secretary, Board of Education

Registered, Numbered and Countersigned:

School Treasurer

Date of Authentication: May 17, 2011

CERTIFICATE
OF
AUTHENTICATION

E
Bond Registrar and Paying Agent:
UMB Bank, N.A.,
St. Louis, Missouri

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Limited School Bonds, Series 2011, of Township High School District Number 215, Cook County, Illinois.

UMB BANK, N.A.,
as Bond Registrar

N

By _____
Authorized Officer

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
GENERAL OBLIGATION LIMITED SCHOOL BOND, SERIES 2011

This Bond is one of a series of bonds issued by the District for working cash fund purposes, in full compliance with the provisions of the School Code of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by the Board of Education of the District by resolutions duly and properly adopted for that purpose, in all respects as provided by law.

Bonds of the issue of which this Bond is one due on or after December 1, 2021, are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 1, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the District maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in St. Louis, Missouri, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the authorizing resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The District and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____ C _____
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

_____ I _____
attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

M

E

N

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

**INCUMBENCY, NON-LITIGATION, NON-CERTIFICATION, NON-ARBITRAGE,
 COMFORT AND SIGNATURE IDENTIFICATION CERTIFICATE**

We, the undersigned, being authorized and directed to sign the bonds hereinafter described, do hereby certify that we are now and were at the time of signing said bonds the duly qualified and acting officials of Township High School District Number 215, Cook County, Illinois (the "*District*"), as indicated by the titles appended to our respective signatures, and that as such officials we have executed \$6,975,000 General Obligation Limited School Bonds, Series 2011, of the District (the "*Bonds*"), dated May 17, 2011, fully registered and without coupons, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$ 25,000	3.000%
2014	330,000	3.000%
2015	340,000	3.250%
2016	350,000	3.500%
2017	365,000	4.000%
2018	380,000	4.250%
2019	395,000	4.500%
2020	415,000	4.750%
2021	435,000	4.300%
2022	450,000	5.000%
2023	475,000	4.625%
2024	495,000	4.750%
2025	520,000	4.875%
2026	545,000	5.000%
2027	570,000	5.100%
2028	600,000	5.125%
2029	285,000	5.250%

the Bonds due on or after December 1, 2021, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2020, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, by signing the Bonds in the manner and capacity indicated by our respective signatures and titles appended hereto.

We do further certify that there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the District, the

boundaries thereof, the right of the District to levy taxes for school purposes, the title of any of its present officials to their respective offices, the proceedings incident to the issue or sale of the Bonds or the issue, sale or validity of the Bonds, that none of the proceedings providing for the issue or sale of the Bonds have been revoked or rescinded, that the District, or any part thereof, is not involved in any manner whatsoever in any proceedings for the conversion or combination of the District or the formation of a combined elementary district, a combined high school district, a combined unit district, a unit district, a combined high school-unit district, a new elementary district or an optional elementary unit district or to dissolve and establish a new school district or districts or become part of an optional elementary unit district pursuant to the provisions of Article 11E of the School Code of the State of Illinois, as amended (the "*Code*"), or of any other provision of the Code, and that there has not been filed nor is there now pending any petition or petitions affecting in any manner whatsoever the present boundaries of the District as the District is now constituted.




We do further certify that (i) the District has not been certified to be in financial difficulty by the State Board of Education of the State of Illinois (the "*State Board*") pursuant to Section 1A-8 of the Code, (ii) the State Board has not approved or established a Financial Oversight Panel for the District pursuant to Article 1B of the Code, and (iii) the State Board has not allowed, approved or granted a petition for or created or established a School Finance Authority for the District pursuant to either Article 1E or Article 1F of the Code.

We do further certify that all of the certifications, conclusions, expectations, representations and statements made and set forth by the officials of the District in the Tax Exemption Certificate and Agreement, dated May 17, 2011, and by the Board of Education of the District in Section 13 of the resolution adopted on the 26th day of April, 2011, authorizing the Bonds (the "*Resolution*") are still reasonable and true; that the undersigned have reviewed the facts, estimates and circumstances in existence on the date hereof and such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in said Agreement and in said section; that said facts and estimates are true and are not incomplete in any material respect; and that such expectations are reasonable and there are no other facts, estimates or circumstances that would materially change such expectations.

We do further certify that to the best of our knowledge and belief all Official Statements, Notices of Sale and other documents, information or materials, together with any supplements thereto, distributed and all representations made by the District and by its officials in any manner whatsoever in connection with the sale of the Bonds were at all times and are now true and correct in all material respects and did not at any time and do not now contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; that the District has duly performed all of its obligations under the Resolution to be performed on or prior to the date hereof; and that all representations and warranties of the District contained in all contracts entered into by the District providing for the sale of the Bonds are true and correct on and as of the date hereof as if made at the date hereof and the District has complied with all of the agreements and satisfied all the conditions on its part to be performed or satisfied prior to the date hereof.

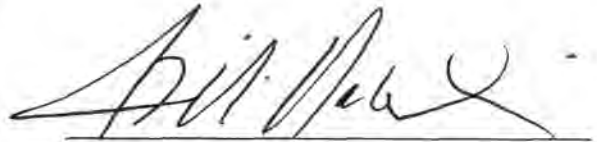
We do further certify that the District is in compliance with each and every undertaking previously entered into by it pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 17th day of May, 2011.

SIGNATURES	OFFICIAL TITLES
	President, Board of Education
	Secretary, Board of Education
	School Treasurer

I do hereby certify that I am a Director of BMO Capital Markets GKST Inc., Chicago, Illinois, and that I am personally acquainted with the officials whose signatures appear above and that I know that they are now and were at the time of signing the Bonds the duly qualified and acting officials of the District, as indicated by the titles appended to their respective signatures, and I do hereby identify said signatures, together with those on the Bonds, as being in all respects true and genuine.

DATED as of the date shown hereinabove.



TREASURER'S RECEIPT

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois (the "*District*"), and as such official I do further certify that \$6,975,000 General Obligation Limited School Bonds, Series 2011, of the District (the "*Bonds*"), dated May 17, 2011, fully registered and without coupons, have been delivered to the purchaser thereof, namely, BMO Capital Markets GKST Inc., Chicago, Illinois, and that the Bonds have been paid for in full by said purchaser in accordance with the terms of sale and at a price of not less than \$7,005,508.60, and that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received by the District upon such sale exceed 9.00%.

I do further certify that the total aggregate indebtedness of the District, howsoever evidenced and howsoever incurred, including the Bonds but not including (alternate or double-barrelled) bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended ("*Alternate Bonds*"), does not exceed the sum of \$ 22,094,957 and that the amount now to the credit of the Working Cash Fund of the District (the "*Fund*"), including the amount of cash on hand and any transfers from the Fund to any other funds of the District, the amount of all taxes levied or extended for the Fund, but not yet received by the District, and the proceeds received by the District from the issue of the Bonds, does not exceed the sum of \$ 8,847,135.48

I do further certify that no taxes, other than a designated revenue source, have ever been extended to pay Alternate Bonds.

I do further certify that the officials whose signatures appear upon the Bonds were in occupancy and possession of their respective offices at the time of signing and delivery of the Bonds.

I do further certify that simultaneously with and as a part of the same transaction as the delivery and issue of the Bonds, I applied the proceeds of sale of the Bonds as follows:

- (a) In the Working Cash Fund of the District \$ 6,504,241.36
- (b) To pay capitalized interest on the Bonds \$ 452,717.24
- (c) To paying the expenses of issuing the Bonds \$ 48,550.00

I do further certify that the costs of issuance of the Bonds are set forth in *Exhibit A* attached hereto, and that said costs are reasonable and not excessive in view of the amount of the Bonds and the complexity of the proceedings related to their issuance.

I do further certify that in addition to the Bonds, the only outstanding bond issues of the District that include bonds issued by the District without referendum, but not including Alternate Bonds or refunding obligations issued to refund or continue to refund obligations initially issued pursuant to referendum, are as follows:

DESCRIPTION OF BONDS	ORIGINAL PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING
Limited Tax School Bonds, Series 2006, dated December 1, 2006	\$4,000,000	\$1,690,000

IN WITNESS WHEREOF, I hereunto affix my official signature, this 17th day of May, 2011.



 School Treasurer

EXHIBIT A

COSTS OF ISSUANCE

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

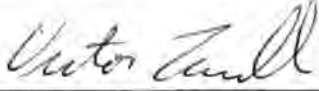
CERTIFICATE OF BOND REGISTRAR

We, the undersigned, do hereby certify that we are officers of UMB Bank, N.A., St. Louis, Missouri (the "*Bond Registrar*"), and as such officers we do further certify as follows:

1. That the Bond Registrar has been appointed bond registrar for \$6,975,000 General Obligation Limited School Bonds, Series 2011, dated May 17, 2011 (the "*Bonds*"), of Township High School District Number 215, Cook County, Illinois (the "*District*"), pursuant to a resolution adopted by the Board of Education of the District on the 26th day of April, 2011 (the "*Bond Resolution*").
2. That the Bond Registrar has heretofore and does hereby accept the duties as bond registrar so imposed by the Bond Resolution.
3. That pursuant to proper authorization and direction from the District dated as of the date hereof, the Bond Registrar has authenticated and delivered Bonds in the amount of \$6,975,000 to the purchaser thereof, namely, BMO Capital Markets GKST Inc., Chicago, Illinois.
4. That pursuant to and in accordance with the provisions of the Bond Resolution, prior to delivery of the Bonds, the Bonds so delivered were authenticated on behalf of the Bond Registrar by a duly authorized and empowered, qualified and acting signatory of the Bond Registrar.
5. That the Bond Registrar has full power and authority under the applicable laws of the United States of America and the States of Illinois and Missouri to act as bond registrar for the Bonds in the manner contemplated by the Bond Resolution; it has taken all necessary corporate action by its properly authorized officers, employees or agents to accept said offices and duties; and the undersigned are duly qualified and acting officers of the Bond Registrar as indicated by the titles set under their names and are authorized by the Bond Registrar to execute and attest this Certificate.
6. That the Bond Registrar acknowledges receipt of a certified copy of the Bond Resolution.

IN WITNESS WHEREOF, we hereunto affix our signatures and the seal of the Bond Registrar, this 17th day of May, 2011.

UMB BANK, N.A.,
St. Louis, Missouri

By 
Its: Senior Vice President

Attest:


Its: Assistant Secretary

(SEAL OF BOND REGISTRAR)

TAX EXEMPTION CERTIFICATE AND AGREEMENT

The undersigned are duly qualified officers of Township High School District Number 215, Cook County, Illinois (the "*District*"), and are charged, with others, with the responsibility for executing and delivering the District's \$6,975,000 General Obligation Limited School Bonds, Series 2011 (the "*Bonds*") on the date hereof. Certain terms are defined in Article I hereof. Terms used herein and not defined in Article I shall have the meanings given to them in the Bond Resolution.

One purpose of executing this Tax Agreement is to set forth various facts regarding the Bonds and to establish the expectations of the District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein are made on behalf of the District for the benefit of the owners from time to time of the Bonds.

The District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest on the Bonds, under present rules, the District may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

ARTICLE I

DEFINITIONS

In addition to such other words and terms used and defined in this Tax Agreement, the following words and terms used in this Tax Agreement shall have the following meanings, unless, in either case, the context or use clearly indicates another or different meaning is intended:

"Affiliated Person" means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the District in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the District or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the District (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the District is modified or established to reflect

(directly or indirectly) representation of the interests of such Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“Board” means the Board of Education of the District.

“Bond Counsel” means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“Bond Fund” means the “School Bond and Interest Fund of 2011” established pursuant to the Bond Resolution.

“Bond Resolution” means the resolution adopted by the Board on the 26th day of April, 2011, providing for the issue of the Bonds and for the levy of a direct annual tax to pay the principal of and interest on the Bonds.

“Capital Expenditures” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the District were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“Closing” means the date of this Tax Agreement, which is the first date on which the District is receiving the purchase price for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commingled Fund” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“Control” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

“Controlled Entity” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“Controlled Group” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

“Controlling Entity” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“Costs of Issuance” means the costs of issuing the Bonds, including underwriters’ discount and legal fees.

“De minimis Amount of Original Issue Discount or Premium” means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

“External Commingled Fund” means a Commingled Fund in which the District and all members of the same Controlled Group as the District own, in the aggregate, not more than ten percent of the beneficial interests.

“GIC” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“Gross Proceeds” means amounts in the Bond Fund and the Project Fund.

“Net Sale Proceeds” means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

“Person” means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

“Placed-in-Service” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“Private Business Use” means any use of the Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Project that is available for use by the general public or

that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Project that is not available for use by the general public.

“Project” means improving the sites of, building and equipping additions to and altering, repairing and equipping existing school buildings of the District.

“Project Fund” means that portion of the fund or funds of the District from which the costs of the Project will be paid.

“Qualified Administrative Costs of Investments” means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

“Qualified Tax Exempt Obligations” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

“Rebate Fund” means the fund, if any, identified and defined in Section 4.2 herein.

“Rebate Provisions” means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

“Regulations” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“Reimbursed Expenditures” means expenditures of the District paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

“Sale Proceeds” means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (e.g., a redemption right).

“Yield” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation’s purchase price (or in the case of the Bonds, the issue price as established in Section 5.1 hereof), including accrued interest.

“Yield Reduction Payment” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

ARTICLE II

DESCRIPTION OF BONDS

Section 2.1. Purpose of the Bonds. The Bonds are being issued to finance the Project in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the Bond Resolution. At least 75% of the (i) Sale Proceeds plus (ii) investment earnings thereon during the period ending on the date of completion of the Project, less (iii) Costs of Issuance paid from Sale Proceeds or investment earnings thereon, have been authorized by the Board to be used for the Project and are expected to be used for construction purposes with respect to property owned by a governmental unit or a Section 501(c)(3) organization.

Section 2.2. The Project – Binding Commitment and Timing. The District has incurred or will, within six months of the Closing, incur a substantial binding obligation (not subject to contingencies within the control of the District or any member of the same Controlled Group as the District) to a third party to expend at least five percent of the Net Sale Proceeds on the Project. It is expected that the work of acquiring and constructing the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through no later than May 17, 2014, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

It is expected that the Sale Proceeds deposited into the Project Fund, including investment earnings on the Project Fund, will be spent to pay costs of the Project and interest on the Bonds not later than the date set forth in the preceding paragraph, the investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Project Fund and the Bond Fund will be commingled with substantial revenues from the governmental operations of the District, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Project Fund and the Bond Fund have not been earmarked or restricted by the Board for a designated purpose. Except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the District or for the purpose of replacing any funds of the District used for such purpose.

Section 2.3. Reimbursement. None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

Section 2.4. Working Capital. All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to finance Capital Expenditures other than the following:

- (a) an amount not to exceed five percent of the Sale Proceeds for working capital expenditures directly related to Capital Expenditures financed by the Bonds;
- (b) payments of interest on the Bonds for a period commencing at Closing and ending on the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service;
- (c) Costs of Issuance and Qualified Administrative Costs of Investments;
- (d) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;
- (e) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon; and
- (f) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

Section 2.5. Consequences of Contrary Expenditure. The District acknowledges that if Sale Proceeds and investment earnings thereon are spent for non-Capital Expenditures other than as permitted by Section 2.4 hereof, a like amount of then available funds of the District will be treated as unspent Sale Proceeds.

Section 2.6. Investment of Bond Proceeds. Not more than 50% of the Sale Proceeds and investment earnings thereon are or will be invested in investments (other than Qualified Tax Exempt Obligations) having a Yield that is substantially guaranteed for four years or more. No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

Section 2.7. No Grants. None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

Section 2.8. Hedges. Neither the District nor any member of the same Controlled Group as the District has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds. The District acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The Internal Revenue Service could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The District also acknowledges that if it acquires a hedging contract with an investment element (including *e.g.*, an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The District agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The District also agrees that it will not give any assurances to any Bond holder or any credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The District recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

Section 2.9. Internal Revenue Service Audits. The District represents that the Internal Revenue Service has not contacted the District regarding any obligations issued by or on behalf of the District. To the best of the knowledge of the District, no such obligations of the District are currently under examination by the Internal Revenue Service.

ARTICLE III

USE OF PROCEEDS; DESCRIPTION OF FUNDS

Section 3.1. Use of Proceeds. (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under the Bond Resolution at the time of Closing are described herein. No Sale Proceeds will be used to pay for goods or services to be received over a period of years prior to the date such goods or services are to be received. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from an Affiliated Person.

(b) Only the funds and accounts described in Section 2.2 hereof will be funded at Closing. There are no other funds or accounts created under the Bond Resolution, other than the Rebate Fund if it is created as provided in Section 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the District will be paid at the time of Closing.

(e) The costs of the Project will be paid from the Project Fund and no other moneys (except for investment earnings on amounts in the Project Fund) are expected to be deposited therein.

Section 3.2. Purpose of Bond Fund. The Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment

of moneys in the Bond Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

Section 3.3. No Other Gross Proceeds. (a) Except for the Bond Fund and the Project Fund, and except for investment earnings that have been commingled as described in Section 2.2 hereof and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the District nor any member of the same Controlled Group as the District has or will have any property, including cash, securities or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(iv) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the District encounters financial difficulties;

(v) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (e.g., any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vi) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected economic life of the Project is at least 20 years. The weighted average maturity of the Bonds does not exceed 20 years and does not exceed 120 percent of the average reasonably expected economic life of the Project. The maturity schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in Section 2.1 hereof.

ARTICLE IV

ARBITRAGE REBATE; RECORD KEEPING; INVESTMENT DIRECTION

Section 4.1. Compliance with Rebate Provisions. The District covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The District will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

Section 4.2. Rebate Fund. The District may create and establish a special fund to be known as the Rebate Fund (the "*Rebate Fund*"), which, if created, shall be continuously held, invested, expended and accounted for in accordance with the Bond Resolution and this Tax Agreement. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions hereof.

Section 4.3. Records. The District agrees to keep and retain or cause to be kept and retained for the period described in Section 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

Section 4.4. Fair Market Value; Certificates of Deposit and Investment Agreements. The District will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under the

Bond Resolution and this Tax Agreement. In making investments of Gross Proceeds or of amounts in the Rebate Fund the District shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the District will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subsection (b)(xi) of this Section;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in

this Tax Agreement and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the District. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this Section.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this Section satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this Section are contained herein for the protection of the District, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The District will contact Bond Counsel if it does not wish to comply with the provisions of this Section and forego the protection provided by the safe harbors provided herein.

Section 4.5. Arbitrage Elections. The President and Secretary of the Board and the School Treasurer of the District are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

Section 4.6. Small Issuer Exception. The District is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability that, when collected, may be used for the governmental purposes of the District. The power to impose such tax is not contingent on approval by another governmental unit; a tax of general applicability is one that is not limited to a small number of persons. The District is not subject to Control by any other governmental unit or political subdivision. None of the Bonds is or will be a "private activity bond" (as defined in Section 141 of the Code). Ninety-five percent or more of the Sale Proceeds will be used for local governmental activities of the District. None of the District, any entity that issues tax-exempt bonds, qualified tax credit bonds or direct pay bonds on behalf of the District or any entity subject to Control by the District will issue, during the calendar year 2011, any tax-exempt bonds (other than current refunding bonds to the extent of the aggregate face amount of the tax exempt bonds currently refunded thereby), qualified tax credit bonds or direct pay bonds in an aggregate face amount in excess of the *maximum*

aggregate face amount (as hereinafter defined). As used herein, (a) “*tax-exempt bonds*” means obligations of any kind, the interest on which is excludable from gross income of the holders or owners thereof for federal income tax purposes pursuant to Section 103 of the Code but not including (i) “*private activity bonds*” (as defined in Section 141 of the Code) or (ii) obligations issued to refund another obligation if it is issued not more than 90 days before the redemption of the refunded obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation, (b) “*aggregate face amount*” means, if an issue has more than a De minimis Amount of Original Issue Discount or Premium, the issue price of the issue and otherwise means the principal amount of the issue, (c) “*maximum aggregate face amount*” means, the sum of (i) \$5,000,000 and (ii) the aggregate face amount of bonds issued during the calendar year that are allocable to financing construction expenditures for public school facilities, but in no event can the *maximum aggregate face amount* exceed \$10,000,000, (d) “*qualified tax credit bonds*” means any qualified tax credit bond (as defined in Section 54A(d) of the Code) or any “*build America bond*” that is not a qualified bond under Section 6431 of the Code and (e) “*direct pay bonds*” means any bond treated as a qualified bond as defined in Section 6431 of the Code. As of the date hereof, no tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions (other than the Bonds) have been issued by the District, any entity that issues bonds on behalf of the District or any entity subject to Control by the District during the calendar year 2011. The District does not reasonably expect that it, any entity that issues bonds on behalf of the District or any entity subject to Control by the District (including but not limited to the District) will issue any tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions within calendar year 2011. Therefore, subject to compliance with all the terms and provisions hereof, the District is excepted from the required rebate of arbitrage profits on the Bonds under Section 148(f)(4)(D) of the Code and from the terms and provisions of the Bond Resolution that need only be complied with if the District is subject to the arbitrage rebate requirement.

ARTICLE V

YIELD AND INVESTMENT LIMITATIONS

Section 5.1. Issue Price. For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Purchaser reasonably expected to sell at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

Section 5.2. Yield Limits. Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction

Payments) not in excess of the Yield on the Bonds plus, if only amounts in the Project Fund are subject to this yield limitation, 1/8th of one percent.

The following may be invested without Yield restriction:

(a)(i) amounts on deposit in the Bond Fund (except for capitalized interest) that have not been on deposit under the Resolution for more than 13 months, so long as the Bond Fund continues to qualify as a bona fide debt service fund as described in Section 3.2 hereof;

(ii) amounts on deposit in the Project Fund that are reasonably expected to pay for the costs of the Project, costs of issuance of the Bonds, or interest on the Bonds during the three year period beginning on the date of issue of the Bonds prior to three years after Closing;

(iii) amounts in the Bond Fund to be used to pay capitalized interest on the Bonds prior to the earlier of three years after Closing or the payment of all capitalized interest;

(b)(i) An amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Tax Agreement);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

Section 5.3. Continuing Nature of Yield Limits. Except as provided in Section 7.10 hereof, once moneys are subject to the Yield limits of Section 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

Section 5.4. Federal Guarantees. Except for investments meeting the requirements of Section 5.2(a) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury, or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole

or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this Section nor Section 5.5 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

Section 5.5. Investments After the Expiration of Temporary Periods, Etc. After the expiration of the temporary period set forth in Section 5.2(a)(ii) hereof, amounts in the Project Fund may not be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code) or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips). Any other amounts that are subject to the yield limitation in Section 5.2 hereof because Section 5.2(a) hereof is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) hereof, are also subject to the limitation set forth in the preceding sentence.

ARTICLE VI

PRIVATE ACTIVITY BOND REPRESENTATIONS; FORM 8038-G; BANK QUALIFICATION

Section 6.1. Payment and Use Tests. (a) No more than five percent of the Sale Proceeds plus investment earnings thereon will be used, directly or indirectly, in whole or in part, in any Private Business Use. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the District or a member of the same Controlled Group as the District) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of five percent of the sum of the Sale Proceeds and investment earnings thereon or \$5,000,000 will be used, directly or indirectly, to make or finance loans to any persons. The District acknowledges that, for purposes of the preceding sentence,

Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Project other than a state or local governmental unit will use more than five percent of the Project, in the aggregate, on any basis other than the same basis as the general public.

Section 6.2. I.R.S. Form 8038-G. The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The District will file Form 8038-G (and all other required information reporting forms) in a timely manner.

Section 6.3. Bank Qualification. (a) The District has designated each of the Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the District hereby certifies that (i) none of the Bonds will be at anytime a "private activity bond" (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2011, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code during calendar year 2011 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The District is not subject to Control by any entity, and there are no entities subject to Control by the District.

(c) On the date hereof, the District does not reasonably anticipate that for calendar year 2011 it will issue, have another entity issue on behalf of the District, borrow the proceeds of or have allocated to the District for purposes of Section 265(b) of the Code more than \$10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds). "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The District will not, in calendar year 2011 issue, permit the issuance on behalf of it or by any entity subject to Control by the District (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2011 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Bonds as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code.

(d) The Bonds have not been sold in conjunction with any other obligation.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Termination; Interest of District in Rebate Fund. The terms and provisions set forth in this Tax Agreement shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments, if any, required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of Sections 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

Section 7.2. Separate Issue. Since a date that is 15 days prior to the date of sale of the Bonds by the District to the Purchaser, neither the District nor any member of the same Controlled Group as the District has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the District nor any member of the same Controlled Group as the District will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

Section 7.3. No Sale of the Project. (a) Other than as provided in the next sentence, neither the Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The District may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the District reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the District deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the District reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The District acknowledges that if Bond-financed property is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a "deliberate action" within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The District shall promptly contact Bond Counsel if a sale or other disposition of bond-financed property is considered by the District.

Section 7.4. Purchase of Bonds by District. The District will not purchase any of the Bonds except to cancel such Bonds.

Section 7.5. First Call Date Limitation. The period between the date of Closing and the first call date of the Bonds is not more than 10-1/2 years.

Section 7.6. Registered Form. The District recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 7.7. First Amendment. The District acknowledges and agrees that it will not use, or allow the Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

Section 7.8. Future Events. The District acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The District shall promptly contact Bond Counsel if such changes do occur.

Section 7.9. Records Retention. The District agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in the Bond Resolution and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including the Bond Resolution, this Tax Agreement and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under Sections 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

Section 7.10. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in Section 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise

entitled and the District receives an opinion of Bond Counsel to such effect. Unless the District otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

Section 7.11. Successors and Assigns. The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the Board and the District.

Section 7.12. Headings. The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

Section 7.13. Expectations. The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in this Tax Agreement. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the District has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

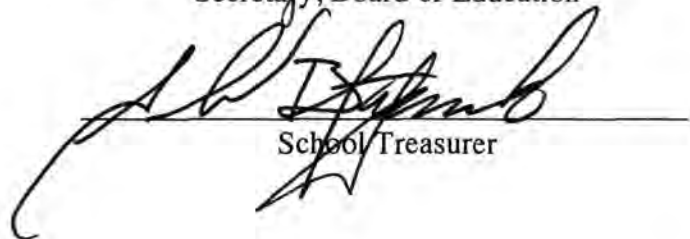
IN WITNESS WHEREOF, we hereunto affix our official signatures, this 17th day of May, 2011.



President, Board of Education



Secretary, Board of Education



School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF UNDERWRITER

I, the undersigned, do hereby certify that I am VP ADMINISTRATION of BMO Capital Markets GKST Inc., Chicago, Illinois (the "Underwriter"), and as such officer I do further certify as follows:

1. That the Underwriter and Township High School District Number 215, Cook County, Illinois (the "District"), have entered into a contract (the "Contract"), dated April 28, 2011 (the "Sale Date"), concerning the purchase by the Underwriter from the District of \$6,975,000 General Obligation Limited School Bonds, Series 2011, dated May 17, 2011, of the District (the "Bonds").

2. That the Contract is in full force and effect and has not been modified, repealed, rescinded or amended.

3. That the Underwriter hereby confirms that all of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) (the "Public") at the price for each maturity of the Bonds as shown on the inside cover page of the Official Statement, dated April 28, 2011, and related to the issuance of the Bonds (the "Price").

4. That on the Sale Date based upon the Underwriter's assessment of then prevailing market conditions, the Price for the Bonds of each maturity was not less than the fair market value to the Public of the Bonds of such maturity as of the Sale Date.

5. That as of the Sale Date the Underwriter reasonably expected that (a) the first sale to the Public of an amount of Bonds of each maturity equal to ten percent or more of such maturity of the Bonds (the "First Substantial Block") would be at the Price

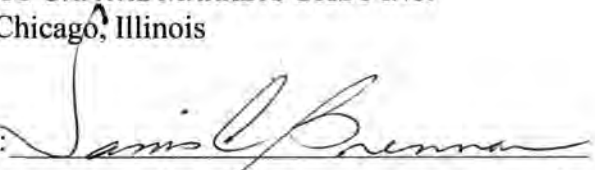
for such maturity and (b) no Bonds of any maturity would be sold at a higher price before the First Substantial Block of Bonds of such maturity was sold to the Public at the Price, and that, in addition, accrued interest to the date of issuance of the Bonds by the District will be paid by the investors purchasing the Bonds.

6. That in offering all of the Bonds to the Public, the Underwriter did not reserve or hold back any Bonds for itself, its affiliates or its affiliated accounts or for any other person not part of the Public, and that for purposes of this Certificate, "affiliate" means any company that controls, is controlled by, or is under common control with the Underwriter and "affiliated account" means any account of the Underwriter or its affiliates that is controlled by the Underwriter or an affiliate or in which the Underwriter or an affiliate of the Underwriter has a beneficial ownership interest.

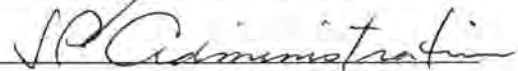
IN WITNESS WHEREOF, I hereunto affix my signature, this 17th day of May, 2011.

BMO CAPITAL MARKETS GKST INC.
Chicago, Illinois

By:



Title:



**CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this "*Agreement*") is executed and delivered by Township High School District Number 215, Cook County, Illinois (the "*District*"), in connection with the issuance of \$6,975,000 General Obligation Limited School Bonds, Series 2011 (the "*Bonds*"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 26th day of April, 2011 (the "*Resolution*").

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

THE BONDS—Debt Service Extension Base Availability after Issuance of the Bonds

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS

- Summary of Outstanding Debt
- Direct General Obligation Bonded Debt (Principal Only)
- Direct General Obligation Bonded Debt (Principal and Interest)
- Alternate Revenue Bonds (Principal Only)
- Selected Financial Information (only as it relates to direct debt)
- Statutory Debt Limit
- Composition of Equalized Assessed Valuation
- Trend of Equalized Assessed Valuation
- Taxes Extended and Collected
- School District Tax Rates by Purpose

Exhibit A— Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit B— General Fund Revenue Sources

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the standards and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated April 28, 2011, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The District will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32

requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. **TERMINATION OF UNDERTAKING.** The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

9. **DISSEMINATION AGENT.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. **RECORDKEEPING.** The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 215, COOK COUNTY, ILLINOIS

By 
President, Board of Education

Date: May 17, 2011

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with the accounting principles described in the Official Statement. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III
CUSIP NUMBERS**

YEAR OF MATURITY (DECEMBER 1)	CUSIP NUMBER (215651)
2013	HG8
2014	HH6
2015	HJ2
2016	HK9
2017	HL7
2018	HM5
2019	HN3
2020	HP8
2021	HQ6
2022	HR4
2023	HS2
2024	HT0
2025	HU7
2026	HV5
2027	HW3
2028	HX1
2029	HY9

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)

See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Township High School District Number 215, Cook County, Illinois		2 Issuer's employer identification number (EIN) 36 6004406	
3 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1601 Wentworth Avenue		4 Report number (For IRS Use Only) 3	
5 City, town, or post office, state, and ZIP code Calumet City, Illinois 60409		6 Date of issue May 17, 2011	
7 Name of issue General Obligation Limited School Bonds, Series 2011		8 CUSIP number 215651 HY9	
9 Name and title of officer of the issuer or other person whom the IRS may call for more information Charles DiMartino, Director of Finance		10 Telephone number of officer or other person (708) 585-2303	

Part II Type of Issue (enter the issue price) See instructions and attach schedule		
11 Education	7,075,258	60
12 Health and hospital		
13 Transportation		
14 Public safety		
15 Environment (including sewage bonds)		
16 Housing		
17 Utilities		
18 Other. Describe		
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 12/01/2029	\$ 7,075,258.60	\$ 6,975,000	11.515 years	4.5500 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22 Proceeds used for accrued interest			22	0
23 Issue price of entire issue (enter amount from line 21, column (b))			23	7,075,258 60
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	118,300		
25 Proceeds used for credit enhancement	25	0		
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0		
27 Proceeds used to currently refund prior issues	27	0		
28 Proceeds used to advance refund prior issues	28	0		
29 Total (add lines 24 through 28)	29	118,300		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	6,956,958		60

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	_____

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37a | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b** Enter the final maturity date of the GIC ▶ _____
- 37** Pooled financings: **a** Proceeds of this issue that are to be used to make loans to other governmental units
- b** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____
- 38** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
- 39** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
- 40** If the issuer has identified a hedge, check box

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative: *[Signature]* Date: *4/28/11*

Thomas Stefaniak, School Treasurer
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: *4/28/11* Check if self-employed Preparer's SSN or PTIN: **P01213682**

Firm's name (or yours if self-employed), address, and ZIP code: **Chapman and Cutler LLP** EIN **36** ; **2153731**

111 W Monroe Stree, Chicago, Illinois 60603 Phone no. **(312) 845-3000**